Report of the Advisory Committee on Suburban Schemes of the Development Department and other reports

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Report

of the

Advisory Committee on the Suburban Schemes of the Development Department

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Report of the Advisory Committee on the Suburban Schemes of the Development Department under the reference made to it by the Government of Bombay in their letter no. S. D. 1313 dated the 25th August 1924.

The Government letter containing the full terms of reference to the Committee is given in Appendix A to this report. Under these terms of reference, the Committee are to enquire into the activities of the Development Department and to report to Government as to how far, and in what directions, such activities should be continued or eliminated.

2. The Committee for the purposes of this enquiry, hereafter referred to as the Special Committee, originally consisted of the old Advisory Committees to the Development Directorate, one for Bombay City, and the other for the Bombay Suburban Division with the addition of Mr. A. N. Surve, who was appointed an additional member under Government Resolution no. S.D. 9, dated the 5th January 1925, for the special purposes of this investigation. This Special Committee submitted an *ad interim* report in February 1925 on the Back Bay Reclamation Scheme and a final report in January 1926 on the same scheme. In December 1926 they submitted a report on the Industrial Housing Scheme. The term of office of the two Advisory Committees expired on 31st March 1927, while the appointment of Director of Development, who was Chairman of both Committees, was abolished in January 1927. By this date the suburban schemes, on which the combined Committees had not reported, were for the most part dormant. The Governor in Council considered it desirable, however, that a Special Committee with the same personnel should be reconstituted, with the Secretary to Government in the Development Department as Chairman, to complete the enquiry which had been begun regarding the Suburban Schemes. This is, therefore, the final report of the enquiry instituted in 1924 (*vide* Government Resolution no. S. D. 1223, dated the 15th July 1927—Appendix B).

3. There were originally 24 Suburban Schemes of the Development Department but the following were either never started or have been closed with little or no expenditure :—

Suburban Scheme No. 4—Trombay West.
„ „ No. 5—Malavni.
„ „ No. 9—Murzbanabad.
„ „ No. 11—Rann of Juhu.
„ „ No. 14—Mogra.
„ „ No. 20—Khopoli.

The remaining 18 schemes can be classified as follows :—

I.—Schemes producing capital receipts.

II.—Schemes producing revenue receipts.

III.—Unproductive schemes.

I.—SCHEMES PRODUCING CAPITAL RECEIPTS.

Suburban Scheme No. 1—Kurla-Kirol.
" " No. 2—Trombay North-East.
" " No. 3—Trombay North-West.
" " No. 6—Danda.
" " No. 7—Khar Model Suburb.
" " No. 8—Chapel Road, Bandra.
" " No. 15—Ambernath Development.
" " No. 16—Shahar.
" " No. 18—Kirol North.
" " No. 24—Willingdon South.

II.—SCHEMES PRODUCING REVENUE RECEIPTS.

Suburban Scheme No. 10—Gilbert Hill Aerodrome.
" " No. 17—Central Salsette Tramway.
" " No. 19—Salsette Water-Supply.
" " No. 21—Ambernath Water-Supply.
" " No. 22—Kurla-Trombay Railway.
" " No. 23—Ambernath Electric Supply.

III.—UNPRODUCTIVE SCHEMES.

Suburban Scheme No. 12—Suburban Trunk Roads.
" " No. 13—South Salsette Drainage.

4. The full Special Committee first examined the origin and history of each scheme and recorded their conclusions in the form of notes. Following their procedure in the case of the Back Bay Reclamation Scheme, they remitted these notes to a Sub-Committee for an examination in detail of the financial position and prospects of each scheme. This Sub-Committee consisted of Mr. Manu Subedar, Mr. Ig. D'Monte and the Chairman and they were given power to co-opt, if necessary, Mr. R. H. A. Delves. The report of the Sub-Committee which is printed as Appendix C to this report is unanimous. The full Committee's notes on each Suburban Scheme have been checked and modified, where necessary, and have been printed by the Sub-Committee in a series of appendices to their report. To these appendices the Sub-Committee have added, where necessary, their own summary of the financial position and prospects of each seheme. The Sub-Committee have summarised these appendices and financial summaries in the body of their report.

5. The Committee have carefully considered the unanimous report of their Sub-Committee and have accepted the conclusions reached by them. It remains only to make recommendations to Government based on these conclusions. These recommendations fall broadly into two classes, *viz.*,

(1) regarding the extent to which suburban development should be continued, and

(2) regarding the financial measures necessary for maintaining the solvency of Suburban Schemes.

EXTENT TO WHICH SUBURBAN DEVELOPMENT SHOULD BE CONTINUED AT THE PRESENT TIME.

6. On this point, the course of events since these investigations were begun has greatly simplified the general position. In the group of "Schemes producing capital receipts" mentioned in paragraph 3, development is proceeding only in Suburban Scheme No. 7—Khar Model Suburb, where new roads are made only as developed plots are sold. The Committee consider that this policy should be pursued so long as the demand for building plots continues. The fresh capital expenditure involved in this policy is estimated at Rs. 2,70,000 for works *plus* Rs. 67,000 for establishment and will be spread over 16 years. The anticipated receipts from the sale of the developed plots are Rs. 20,45,000 spread over twenty years.

7. In three schemes in this group, *viz.*, Suburban Scheme No. 6—Danda, Suburban Scheme No. 8—Chapel Road, Bandra, and Suburban Scheme No. 24—Willingdon South, all works are practically complete; in three more schemes, *viz.*, Suburban Scheme No. 3—Trombay North-West (including Chembur), Suburban Scheme No. 15—Ambernath Development and Suburban Scheme No. 18—Kirol North, development has been partial and is now entirely suspended; while in the remaining three schemes, Suburban Scheme No. 1—Kurla-Kirol, Suburban Scheme No. 2—Trombay North-East and Suburban Scheme No. 16—Shahar, there has been practically no development. We recommend that until there is a very definite demand for developed plots no development operations should be undertaken in the near future in any of the last six mentioned schemes. A demand for land might arise at any time at Ambernath and should be met. The only other scheme in which road-making is likely to be required in the near future is in the Andheri Sector of Shahar, where one or two small roads in the vicinity of the terminus of the Central-Salsette Tramway will be required, sooner or later, for the disposal of surplus lands in this locality.

8. In the second group of six "Schemes producing revenue receipts" mentioned in paragraph 3, Suburban Scheme No. 22—Kurla-Trombay Railway has been transferred to the G. I. P. Railway, while no use can be found meantime for Suburban Scheme No. 10—Gilbert Hill Aerodrome. Suburban Scheme No. 17—Central Salsette Tramway is at present worked by the G. I. P. Railway under a maintenance lease, which expires at the end of 1929. We consider that the best course will be to negotiate as soon as possible for its final transference to the G. I. P. Railway and thus get rid of the liability for further capital expenditure. Suburban Scheme No. 19—Salsette Water-Supply is working satisfactorily on the whole under existing conditions. Extensions should be given only when they are justified by the revenue which they will yield. A similar remark applies to Suburban Scheme No. 21—Ambernath Water-Supply and Suburban Scheme No. 23—Ambernath Electric Supply.

9. In the last group of two "Unproductive schemes," *viz.*, Suburban Scheme No. 12—Suburban Trunk Roads and Suburban

Scheme No. 13—South Salsette Drainage, all operations have been closed down for some time. We agree that no works under these two heads should now be undertaken at the cost of the Development Department.

Recommendation No. 1—

10. The only development operations required meantime in the suburbs are the continuation of road making at Khar and judicious extensions of the Salsette Water-Supply Scheme. Road making in the Andheri Sector of Shahar should be restricted to what is required for the disposal of surplus lands already acquired. In future the development of the suburbs should preferably be carried out by other methods than the acquisition of lands by Government, for example, by town planning schemes.

FINANCIAL MEASURES NECESSARY FOR MAINTAINING THE SOLVENCY OF SUBURBAN SCHEMES.

11. In a note presented to the Legislative Council in February-March 1927 the annual loss on Suburban Schemes was estimated at Rs. 7·50 lakhs and a subsidy of this amount was provided in the budget of 1927-28 and repeated in the budget of 1928-29. The revised estimate of our Sub-Committee is an annual loss of Rs. 14·24 lakhs. Of this amount Rs. 4·02 lakhs is the estimated annual loss on Suburban Scheme No. 21 (Ambernath Water-Supply) and Suburban Scheme No. 23 (Ambernath Electric Supply), for which revenue accounts under the heads "XXXI and 42, Bombay Development Scheme" have now been opened, so that these losses will, in future, be met automatically from provincial revenues. The expenditure and receipts for next year are as follows:—

Expenditure (head 42).

	Rs.
Suburban Scheme No. 21—Ambernath Water-Supply ...	3,64,000
,, ,, No. 23—Ambernath Electric Supply ...	1,01,000
Total ...	4,65,000

Receipts (head XXXI).

Suburban Scheme No. 21—Ambernath Water-Supply ...	86,000
,, ,, No. 23—Ambernath Electric Supply ...	28,000
Total ...	1,14,000
Loss ..	3,51,000

The expenditure figures are exclusive of sinking fund and depreciation charges for which an amount of Rs. 62,569* has to be otherwise provided.

12. The other losses on Suburban Schemes have been summarised and compared with the departmental estimate of 1926 by the Sub-Committee in paragraph 10 of their report as follows :—

Schemes	Estimated capital loss	
	On 1st April 1928	On 1st October 1926
	Rs. lakhs	Rs. lakhs
I. Producing capital receipts	82·66	23·85
II. Producing revenue receipts	90·49	68·70
III. Unproductive	16·86	16·22
Total ...	190·01	108·77

The increase since October 1926 in these estimates has been described, correctly in our opinion, as due to (*a*) the definite decline in the prospects of group I schemes as illustrated by the diminished sales at Khar since 1925-26 and (*b*) the omission in 1926 of the ærodrome in calculating the losses in group II. If the Surbuban Schemes are to remain solvent, the loss of Rs. 190·01 lakhs must now be written off by paying from provincial revenues the interest and sinking fund charges calculated at Rs. 12·16 lakhs annually. In addition, there are the following miscellaneous charges which are fully explained in the Sub-Committee's report and their appendices Nos. 25 and 26, *viz.*,

	Rs. lakhs
(*a*) Interest on part of the depreciation fund of the Bombay Development Loan ...	0·69
(*b*) Establishment charges	1·01
(*c*) General charges	0·45
Total ...	2·15

Adding this amount to the interest and sinking fund charges of Rs. 12·16 lakhs and deducting temporary receipts (Rs. 0·34 lakhs) and a share of the proceeds of town duty (Rs. 3·75 lakhs), the provincial subsidy required for Suburban Schemes is Rs. 10·22 lakhs with effect from 1st April 1928. As the provision made in 1928-29 is Rs. 7·50 lakhs, the difference of Rs. 2·72 lakhs must be added to the capital loss to be written off, *i.e.*, the interest and sinking fund charges on this amount, *viz.*, Rs. 0·18 lakhs must be added to the annual subsidy, together with the sinking fund and depreciation charges in connection with Suburban Scheme No. 21 (Ambernath

* *Note.*—In their appendix No. 23 the Sub-Committee have calculated the depreciation and sinking fund charges on a 6 per cent.—11 years' basis and a 6 per cent.—60 years' basis, respectively. The 6 per cent. is evidently a mistake for 4 per cent. and the figure of Rs. 62,569 has been calculated accordingly.

Water-Supply) and Suburban Scheme No. 23 (Ambernath Electric Supply) amounting to Rs. 0·63 lakhs (*vide* paragraph 11), *plus* interest and sinking fund charges for one year on this amount, *viz.*, Rs. 0·04 lakhs.

Recommendation No. 2—

13. We, therefore, recommend that in addition to the existing annual subsidy of Rs. 7·50 lakhs and in addition to the provision made by opening revenue accounts for Suburban Scheme No. 21 (Ambernath Water-Supply) and Suburban Scheme No. 23 (Ambernath Electric Supply), an annual subsidy of Rs. 3·57 lakhs should be provided from provincial revenues to maintain the solvency of the Suburban Schemes of the Development Department.

The amount of this subsidy should be revised periodically. No revision is likely to be necessary or desirable for another three years.

Minor Recommendations—

14. At pages 6-7 of their report, the Sub-Committee have given a forecast of the receipts from the disposal of lands in each Suburban Scheme from 1928-29 to 1947-48. There will necessarily be considerable fluctuations from the forecast in individual schemes but every effort should be made to reach the total figure forecasted for each year by the Sub-Committee.

15. We also recommend for the acceptance of Government the method of dealing with establishment charges which the Sub-Committee have dealt with in their Appendix No. 25.

16. In conclusion, we desire to record our appreciation of the large amount of detailed work carried out by the Sub-Committee and of the services of Mr. S. P. Gheewala as its Secretary.

R. D. BELL,
Chairman.

VASANTRAO ANANDRAO DABHOLKAR
FAZAL I. RAHIMTOOLA
R. H. A. DELVES
W. H. NEILSON
A. M. REITH
JEHANGIR B. PETIT
MANU SUBEDAR
L. U. MONGINI
S. K. BOLE
A. N. SURVE
IG. D'MONTE
JANMAYJAY CHHABILDAS
D. D. RODRIGUES
C. J. HANSOTI
} Members.

H. ST. C. SMITH,
Secretary.

APPENDIX A.

No. S. D. 1313.
Development Department:
Bombay Castle, 25th August 1924.

From

R. D. BELL, Esq., C.I.E., I.C.S.,
Acting, Secretary to the Government of Bombay,
Development Department:

To

THE ACTING DIRECTOR OF DEVELOPMENT.

Sir,

In the last Session of the Legislative Council there were a number of resolutions regarding the operations of the Development Directorate which were not discussed for want of time. The principal of these resolutions stood in the name of Mr. Lalji Naranjee and the first part of it was to the following effect:—

"That, in view of the conclusions arrived at during the period of war boom that the land available in Bombay was inadequate having proved erroneous, this Council recommends to Government that a committee, with a non-official majority, be forthwith appointed to enquire into the activities of the Development Department as to how far and in what directions such activities should be continued or eliminated."

2. I am directed to inform you that Government see no objection to the part of the resolution quoted above being considered and reported on by a committee. Mr. Lalji Naranjee has suggested a committee with a non-official majority. The Advisory Committee appointed in connection with the Development Department is a very representative body and Government are of the opinion that this Committee should be entrusted with the investigation of this very important question. I am directed to request that the matter should be placed before the Committee and that they should be asked to report upon it. For this purpose the Committee should be supplied with all the necessary facts and figures.

3. The whole position of the Development Department has had the very serious consideration of Government and Government have already reached conclusions and taken action in several matters. It would be most useful to know how far the Advisory Committee agree with Government in the views which they have already formed and whether the Committee would propose that Government should further curtail their activities.

I have the honour to be,
Sir,
Your most obedient servant,

R. D. BELL,
Acting Secretary to the Government of Bombay,
Development Department.

APPENDIX B.

Advisory Committee.

Reconstitution of the existing Special Advisory Committee for the purpose of completing their report on the Suburban Schemes.

GOVERNMENT OF BOMBAY.

DEVELOPMENT DEPARTMENT.

Resolution No. S.D. 1223.

Bombay Castle, 15th July 1927.

RESOLUTION OF GOVERNMENT.

The term of office of the two Advisory Committees, one for the City of Bombay and the other for the Bombay Suburban Division, in connection with the Bombay Development Scheme, expired on 31st March 1927, while the appointment of Director of Development, who was chairman of both committees, was abolished in January 1927. The most important work of these committees had latterly been performed by them sitting as a joint special committee, with one additional member, "to enquire into the activities of the Development Department and to report to Government as to how far, and in what directions, such activities should be continued or eliminated." The special committee have already submitted their reports on the Bombay City schemes including the Back Bay Reclamation Scheme and the Industrial Housing Scheme. The suburban schemes, on which they had not reported when the term of the two Advisory Committees expired, are now for the most part dormant. The Governor in Council considers it desirable, however, that a special committee with the same personnel should be re-constituted with the Secretary to Government in the Development Department as chirman to complete the enquiry which had been begun regarding the Suburban Schemes. The personnel of the committee will, therefore, be as under :—

1.	Mr. R. D. Bell, C.I.E., I.C.S.	Secretary to Government, Development Department (Chairman).
2.	Sir Vasantrao Dabholkar Kt., C.B.E., M.L.C.	Representing the Bombay Municipal Corporation.
3.	Mr. Fazal Ibrahim Rahimtoola, M.L.A.	
4.	Mr. J. T. Burge, F.S.I. (*vice* Mr. R. H. A. Delves).	Acting Chief Officer, Improvements Committee of the Board of Trustees for the Improvement of the City of Bombay.

5.	Major G. C. Richardson ...	Chamber of Commerce, Bombay.
6.	Mr. Jehangir Bomanji Petit.	Millowners' Association, Bombay.
7.	Mr. Manu Subedar ...	Indian Merchants' Chamber, Bombay.
8.	Mr. L. U. Mongini ...	Bombay Presidency Trades' Association, Bombay.
9.	Mr. W. H. Neilson, O.B.E.	Bombay Port Trust.
10.	Mr. Sitaram Keshav Bole, M.L.C.	Nominated by Government to represent working classes in Bombay City.
11.	Mr. Joseph Baptista ...	
12.	Mr. A. N. Surve ...	Appointed as per Government Resolution no. S.D. 9, dated the 5th January 1925.
13.	Mr. Ig. D'Monte ...	Bandra Municipality.
14.	Mr. D. D. Rodrigues ...	Kurla Municipality.
15.	Mr. C. J. Hansoti ...	Ghatkopar-Kirol Municipality.
16.	Mr. Janmejay Chhabildas...	Notified Area Committees.

2. The thanks of Government should be conveyed to the members of the Special Advisory Committee for their services in preparing the reports on the Bombay City schemes including the Back Bay Reclamation and Industrial Housing Schemes.

By order of the Governor in Council,

H. ST. C. SMITH,
Deputy Secretary to Government.

To

The Commissioner, Bombay Suburban Division,
The Collector, Bombay Suburban District,
The Salsette Development Officer,
The Private Secretary to His Excellency the Governor,
The Land Manager, Development Department,
The Superintending Engineer, Northern Circle,
The Executive Engineer, Suburban Division,
The Superintendent, Bombay Suburban Survey,
The Chief Engineer, Back Bay Reclamation Scheme,
The Municipal Commissioner for the City of Bombay,
The Accountant General, Bombay,
The Financial Adviser to Government, Public Works and Development Departments,
The Deputy Financial Adviser to Government, Development Department.
The Audit and Accounts Officer, Bombay Development Scheme,

The General Department,
The Revenue Department,
The Public Works Department,
The Finance Department,
*The President, Municipal Corporation,
The Chief Officer, Improvements Committee of the Board of Trustees for the Improvement of the City of Bombay,
The Chairman, Bombay Port Trust,
*The Secretary, Chamber of Commerce, Bombay,
*The Secretary, Millowners' Association, Bombay,
*The Secretary, Indian Merchants' Chamber, Bombay,
*The Secretary, Bombay Presidency Trades' Association,
*All Members of the Special Advisory Committee.

*By letter.

APPENDIX C

Report of the Sub-Committee appointed to report on the Financial Prospects of the Suburban Schemes of the Development Department.

There were originally 24 suburban schemes of the Development Department but the following were either never started or have been closed with little or no expenditure:—

Suburban Scheme No. 4—Trombay West.
" " No. 5—Malavni.
" " No. 9—Murzbanabad.
" " No. 11—Rann of Juhu.
" " No. 14—Mogra.
" " No. 20—Khopoli.

The remaining 18 schemes can be classified as follows:—

I. Schemes producing capital receipts.
II. Schemes producing revenue receipts.
III. Unproductive schemes.

I.—SCHEMES PRODUCING CAPITAL RECEIPTS.

Suburban Scheme No. 1—Kurla-Kirol.
" " No. 2—Trombay North-East.
" " No. 3—Trombay North-West.
" " No. 6—Danda.
" " No. 7—Khar Model Suburb.
" " No. 8—Chapel Road, Bandra.
" " No. 15—Ambernath Development.
" " No. 16—Shahar.
" " No. 18—Kirol North.
" " No. 24—Willingdon South.

II.—SCHEMES PRODUCING REVENUE RECEIPTS.

Suburban Scheme No. 10—Gilbert Hill Aerodrome.
" " No. 17—Central Salsette Tramway.
" " No. 19—Salsette Water-Supply.
" " No. 21—Ambernath Water-Supply.
" " No. 22—Kurla-Trombay Railway.
" " No. 23—Ambernath Electric Supply.

III.—UNPRODUCTIVE SCHEMES.

Suburban Scheme No. 12—Suburban Trunk Roads.
" " No. 13—South Salsette Drainage

2. Notes explaining the origin and history of each scheme are attached to this report as appendices Nos. 1 to 24. For each of the 18 schemes on which expenditure has been incurred we have prepared a summary of its financial position and prospects. These summaries are included in the relevant appendices.

The capital and revenue accounts of the Development Department for the year 1927-28 are not yet ready and, for the preparation of the financial summaries, we have relied mainly on the accounts for the year 1926-27. From these accounts the debt on each scheme on 1st April 1928 has been estimated approximately. We thus consider in this report each suburban scheme on the basis of an approximate estimate of its financial position on 1st April 1928. The main conclusions in respect of each scheme are given in the following paragraphs(3 to 6).

I.—Schemes producing Capital Receipts.

3. These are all land schemes for residential or industrial purposes. For an estimate of their financial position it is necessary to make a valuation of their assets. This involves for each scheme an assumption regarding the period of time required for the disposal of these assets. It might be a practicable proposition to sell off almost immediately all the assets of one or two schemes considered singly. But the rapid disposal of *all* the lands in *all* the schemes on terms reasonable to the tax-payer is not an easy matter under the present conditions of the land market, and we have considered it necessary to take 16 years as the length of time required for the winding up of the majority of the schemes. More rapid disposal would tend further to disturb land values and is unlikely to result in more favourable financial results. Our calculations are also based on the further assumption that the lands will be sold without further capital expenditure being incurred on their development except at Khar. This means in practice that, if further capital expenditure is actually incurred on other schemes, it will be recovered in full in addition to the values which we have placed on the lands in their existing condition.

We now state our main conclusions regarding each scheme producing capital receipts.

Suburban Scheme No. 1—Kurla-Kirol.

(Appendix No. 1)

558 acres in this scheme are valued at Rs. 600 per acre or Rs. 3,34,800 in all. It is estimated that 16 years will be required for the disposal of the area in its present condition and without further capital expenditure. The value of the estimated realisations (Rs. 3,34,800) written back to 1st April 1928 is only Rs. 2·10 lakhs against an estimated debt on the same date of Rs. 14·26 lakhs. The estimated capital loss on 1st April 1928 is therefore Rs. 12·16 lakhs. There is at present a temporary revenue of Rs. 7,000 per annum from the area.

Suburban Scheme No. 2—Trombay North-East.

(Appendix No. 2)

230 acres in this scheme are valued at Rs. 450 per acre or a total of Rs, 1,04,000 in round figures and a period of 16 years is considered to be necessary for complete disposal of the area without further capital expenditure. The value of the estimated realisations written back to 1st April 1928 is only Rs. 65,000 against an estimated debt on the same date of Rs. 19 lakhs. The estimated capital loss on 1st April 1928 is, therefore, Rs. 18·35 lakhs. The present temporary revenue from the area is Rs. 5,400 per annum but it is doubtful whether it will long continue at this figure.

Suburban Scheme No. 3—Trombay North-West.

(Appendix No. 3)

The area for disposal is 367 acres and, after allowing a period of 16 years for disposal, is valued, as at 1st April 1928, at Rs. 2,70,000 without the need of further capital expenditure. The estimated debt on the scheme on 1st April 1928 was Rs. 18·65 lakhs, so that the estimated loss is Rs. 15·95 lakhs. There is at present a temporary revenue of Rs. 3,700 per annum.

Suburban Scheme No. 6—Danda.

(Appendix No. 6)

57,000 square yards of developed building plots are valued at Rs. 3·42 lakhs with disposal spread over 16 years, so that the valuation on 1st April 1928 is Rs. 2·14 lakhs. After allowing for a small capital expenditure of Rs. 10,000, the estimated debt on 1st April 1928 was Rs. 5·58 lakhs, so that the total loss on the scheme at that date is estimated at Rs. 3·44 lakhs. There are no temporary receipts.

Suburban Scheme No. 7—Khar Model Suburb.

(Appendix No. 7)

4,09,000 square yards of land remain for disposal. These are estimated to have an average value of Rs. 5 per square yard, so that their aggregate value is Rs. 20·45 lakhs. A period of 20 years is assumed to be necessary for complete disposal, so that this sum has to be written back 10 years to a value on 1st April 1928 of Rs. 11·42 lakhs. Capital expenditure of Rs. 3:37 lakhs spread over 16 years is necessary to the complete development of the scheme; the value of this expenditure on 1st April 1928 is Rs. 2·11 lakhs. The estimated debt on this scheme on 1st April 1928 was Rs. 18·23 lakhs, so that the estimated loss on 1st April 1928 was Rs. 18·23 lakhs *plus* Rs. 2·11 lakhs *minus* Rs. 11·42 lakhs = Rs. 8·92 lakhs. Temporary receipts at present amount to Rs. 3,000 annually.

Suburban Scheme No. 8—Chapel Road, Bandra.

(Appendix No. 8)

On this scheme there is a small surplus which has an estimated value of Rs. 27,000 on 1st April 1928.

Suburban Scheme No. 15—Ambernath.

(Appendix No. 15)

The future prospects of this scheme in which 950 acres remain for disposal are quite uncertain. The estimated capital debt of the scheme on 1st April 1928 was Rs. 15·38 lakhs and we consider that the value of the assets should be written down to their original cost, *viz.*, Rs. 4·08 lakhs. Even this amount could not be realised at once and spreading disposal over 20 years should be written down to Rs. 2·28 lakhs. This gives an estimated loss of Rs. 13·10 lakhs on 1st April 1928. The receipts from the temporary leasing of lands are at present Rs. 13,000 annually.

Suburban Scheme No. 16—Shahar.

(Appendix No. 16)

The assets consist of 71½ acres of undeveloped land which can be sold, over a period of ten years at an average rate of Rs. 1,000 per acre. The total realisations, Rs. 71,500, written back to 1st April 1928, are equivalent on that date to Rs. 53,000 against the estimated capital debt of Rs. 6·64 lakhs. The estimated capital loss is therefore Rs. 6·11 lakhs. Receipts are at present negligible.

Suburban Scheme No. 18—Kirol North.

(Appendix No. 18)

The total area in this scheme is 49 acres in two sectors. One sector of 24 acres is entirely undeveloped and valued at Rs. 14,400. The other sector is partially developed and valued at Rs. 1·52 lakhs. The total valuation is, therefore, Rs. 1·66 lakhs with a disposal period of 16 years. The value of the assets on 1st April 1928 is, therefore, Rs. 1·04 lakhs against an estimated debt of Rs. 5·94 lakhs leaving an estimated loss of Rs. 4·90 lakhs to be dealt with. Temporary receipts are Rs. 1,500 annually.

Suburban Scheme No. 24—Willingdon (South).

(Appendix No. 24)

This scheme does not involve any expenditure of Government funds. There is a small estimated profit on the scheme but the date of its accrual is uncertain and it may be neglected.

4. SUMMARY FOR SCHEMES PRODUCING CAPITAL RECEIPTS.

(1) *Losses* are summarised later in paragraph 7.

(2) *Temporary receipts* amount altogether at present to Rs. 34,000, *viz.*—

		Rs.
Suburban Scheme	No. 1—Kurla-Kirol ...	7,000
,, ,,	No. 2—Trombay North-East ...	5,400
,, ,,	No. 3—Trombay North-West ...	3,700
,, ,,	No. 7—Khar Model Suburb ...	3,000
,, ,,	No. 15—Ambernath ...	13,000
,, ,,	No. 18—Kirol North ...	1,500
	Total ...	33,600
	Say ...	34,000

These receipts will of course diminish as the assets are disposed of.

(3) *Realisations from sales of land.*—The statement on pp. 6-7 shows that the existing assets of schemes producing capital receipts will ultimately fetch Rs. 39·20 lakhs according to our estimates and that their disposal will be complete by 1947-48. It is improbable that the annual rate of disposal will be so even as is shown in the table but, as our estimated rate of disposal never much exceeds Rs. 2 lakhs annually, we think that our estimates are reasonably safe if considered as averages over a series of years.

Statement showing the total anticipated receipts from disposal of land each year.

Suburban Schemes Nos.	Years									
	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1—Kurla-Kirol	20,925	20,925	20,925	20,925	20,925	20,925	20,925	20,925	20,925	20,925
2—Trombay North-East ...	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
3—Trombay North-West ...	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
6—Danda	21,375	21,375	21,375	21,375	21,375	21,375	21,375	21,375	21,375	21,375
7—Khar Model Suburb ...	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250
8—Chapel Road, Bandra ...	8,000	9,000	.....	.....	.....	.....	.....	.....	.....	.....
15—Ambernath	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400
16—Shahar	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150
18—Kirol North	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375
Total ...	2,23,975	2,24,975	2,15,975	2,15,975	2,15,975	2,15,975	2,15,975	2,15,975	2,15,975	2,15,975

Statement showing the total anticipated receipts from disposal of land each year—contd.

Suburban Schemes Nos.	Years										
	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.
1—Kurla-Kirol	20,925	20,925	20,925	20,925	20,925	20,925	.....	.....	.....	.....	3,34,800
2—Trombay North-East ...	6,500	6,500	6,500	6,500	6,500	6,500	.....	.....	.....	.....	1,04,000
3—Trombay North-West ...	27,000	27,000	27,000	27,000	27,000	27,000	.....	.....	.....	.....	4,32,000
6—Danda	21,375	21,375	21,375	21,375	21,375	21,375	.....	.....	.....	.....	3,42,000
7—Khar Model Suburb ...	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	1,02,250	20,45,000
8—Chapel Road, Bandra ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	17,000
15—Ambernath	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	4,08,000
16—Shahar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	71,500
18—Kirol North	10,375	10,375	10,375	10,375	10,375	10,375	.....	.....	.....	.....	1,66,000
Total ...	2,08,825	2,08,825	2,08,825	2,08,825	2,08,825	2,08,825	1,22,650	1,22,650	1,22,650	1,22,650	39,20,300 Grand Total

II.—Schemes producing Revenue Receipts.

Suburban Scheme No. 10—Aerodrome. (Gilbert Hill)

(Appendix No. 10)

5. This is a scheme of the Public Works Department with the finances of which the Development Department has been saddled. The actual cost of the scheme in lands, works and establishment has been Rs. 11·83 lakhs and in addition there were on 1st April 1928 accumulated interest charges of Rs. 4·43 lakhs approximately. We consider that the accumulation of further interest charges should not be permitted and that so long as the Development Department is saddled with the scheme, it must account for the loss on it. The assets amounting to 245 acres will be difficult to realise and meantime the whole estimated debt on the scheme on 1st April 1928, *viz.*, Rs. 16·26 lakhs, should be treated as a total loss.

Suburban Scheme No. 17—Central Salsette Tramway.

(Appendix No. 17)

The total net expenditure to 1st April 1928 has been Rs. 84·51 lakhs, of which Rs. 15·54 lakhs have been, or will be, written off from the suburban schemes share of the town duty on raw cotton. The net expenditure on the scheme on 1st April 1928 was thus Rs. 68·97 lakhs. The tramway is being worked for two years by the G. I. P. Railway preparatory to negotiating its temporary transfer. The present arrangement imposes an indefinite liability on Government and we are of opinion that Government should rid themselves of this liability as soon as possible and even, if practicable, within the period of two years, for which the existing arrangements with the G. I. P. Railway have been made. Pending final disposal of the tramway and its surplus lands, the annual loss on the scheme (*viz.*, interest charges and sinking fund charges or their equivalent) should be met as they accrue. In other words, the net debt on 1st April 1928, *viz.*, Rs. 68·97 lakhs, may be considered as a loss.

Suburban Scheme No. 19—Salsette Water-Supply.

(Appendix No. 19)

There is an annual loss on this scheme but it should ultimately be self-supporting and we consider that meantime it is not essential to write off the annual losses.

Suburban Scheme No. 21—Ambernath Water-Supply.

(Appendix No. 21)

It is understood that Government have now opened a revenue account for this scheme, so that the annual loss, which is at present Rs. 3·15 lakhs, will be met as it occurs.

For comparison with the figure of capital loss shown for other schemes, it may be added that an annual loss of Rs. 3·15 lakhs corresponds to the interest charges at 6 per cent. and the sinking fund charges at ·4202 per cent. (on 60 years—4 per cent. basis) on Rs. 49 lakhs.

Suburban Scheme No. 22—Kurla-Trombay Railway.

(Appendix No. 22)

The dead loss on this scheme after its transfer to the G. I. P. Railway and after allowing for a write-off of Rs. 1·36 lakhs from the proceeds of the suburban share of the town duty on raw cotton is likely to be Rs. 5·26 lakhs.

Suburban Scheme No. 23—Ambernath Electric-Supply.

(Appendix No. 23)

It is understood that Government have now opened a revenue account for this scheme in the same way as for Suburban Scheme No. 21 (Ambernath Water-Supply). The annual loss on the scheme is estimated at Rs. 87,000.

This annual loss corresponds to a capital loss of Rs. 13·55 lakhs (worked out in the same way as for Suburban Scheme No. 21—Ambernath Water-Supply).

SUMMARY.

The losses on schemes producing revenue receipts are summarised in paragraph 8 below.

III.—UNPRODUCTIVE SCHEMES.

Suburban Scheme No. 12—Suburban Trunk Roads.

(Appendix No. 12)

6. The net expenditure on this scheme on 1st April 1928 was Rs. 16·28 lakhs.

Suburban Scheme No. 13—South Salsette Drainage.

(Appendix No. 13)

The net expenditure to be dealt with in this scheme is Rs. 0·58 lakhs.

7. *Summaries of losses.*—We now summarise the losses on the various schemes which have been mentioned in paragraphs 3 to 6.

I.—SUMMARY OF CAPITAL LOSSES ON SCHEMES PRODUCING CAPITAL RECEIPTS.

Scheme	Estimated capital loss on 1st April 1928
	Rs. lakhs
Suburban Scheme No. 1—Kurla-Kirol ...	12·16
„ „ No. 2—Trombay North-East ...	18·35
„ „ No. 3—Trombay North-West ...	15·95
„ „ No. 6—Danda ...	3·44
„ „ No. 7—Khar Model Suburb ...	8·92
„ „ No. 8—Chapel Road, Bandra ...	– 0·27
„ „ No. 15—Ambernath ...	13·10
„ „ No. 16—Shahar ...	6·11
„ „ No. 18—Kirol North ...	4·90
„ „ No. 24—Willingdon South ...	.....
Total ...	82·66

In a note presented to the Legislative Council during the budget session of February-March 1927 and showing the financial position in October 1926 of the various suburban schemes it was assumed that the anticipated realisations on Suburban Scheme No. 6—Danda, Suburban Scheme No. 7—Khar Model Suburb, Suburban Scheme No. 8—Chapel Road, Bandra, Suburban Scheme No. 16—Shahar, Suburban Scheme No. 18—Kirol North, and Suburban Scheme No. 24—Willingdon South, would, in the whole, eventually cover the expenditure on them. The decline in the prospects of these schemes since October 1926 is sufficiently illustrated by the sales of land at Khar in 1925-26 and two subsequent years.

Sales of land at Khar.

Year	Value of land disposed of
	Rs.
1925-26	3,15,262
1926-27	1,90,695
1927-28	1,35,015

We consider that Suburban Scheme No. 6—Danda, Suburban Scheme No. 7—Khar Model Suburb, Suburban Scheme No. 16—Shahar and Suburban Scheme No. 18—Kirol North, can no longer be considered solvent schemes and we estimate the loss on them to be Rs. 23·37 lakhs with a small set off of Rs. 0·27 lakhs on account of Suburban Scheme No. 8—Chapel Road, Bandra.

In October 1926 it was considered hardly possible to make a definite forecast for the Ambernath scheme and that it would require a few more years to decide whether any loss will be involved. As there is little prospect of this scheme developing further at the present time, we recommend that the assets should now be written down as already explained.

The estimated losses on 1st October 1926 of the remaining schemes in the summary were :—

	Rs. lakhs
Suburban Scheme No. 1—Kurla-Kirol ...	6·25
,, ,, No. 2—Trombay North-East .	13·35
,, ,, No. 3—Trombay North-West .	4·25
Total ...	23·85

as compared with our estimate of Rs. 46·46 lakhs for the same schemes. These were the only schemes on which in October 1926 an ultimate loss was clearly foreseen.

On the record of land sales the financial prospects of all the schemes in this group are definitely worse than they were in October 1926. The net result is that in this group of schemes the estimated loss of Rs. 23·85 lakhs in October 1926 has been raised to Rs. 82·66 lakhs on 1st April 1928.

8. II.—SUMMARY OF LOSSES ON SCHEMES PRODUCING REVENUE RECEIPTS.

Schemes	Estimated capital loss on 1st April 1928	Present annual loss
	Rs. lakhs.	Rs. lakhs.
Suburban Scheme No. 10—Aerodrome	16·26	.....
,, ,, No. 17—Central Salsette Tramway ...	68·97	.....
,, ,, No. 19—Salsette Water-Supply ...	.....	.....
,, ,, No. 21—Ambernath Water-Supply ...	... ..	3·15
,, ,, No. 22—Kurla-Trombay Railway ...	5·26	...
,, ,, No. 23—Ambernath Electric-Supply ...	.....	0·87
Total ...	90·49	4·02
Corresponding estimates in October 1926	68·70	3·78

The capitalised equivalent of the annual losses on Suburban Scheme No. 21—Ambernath Water-Supply and Suburban Scheme No. 23—Ambernath Electric-Supply is Rs. 62·55 lakhs, and this makes the total loss on all the revenue receipts producing schemes the equivalent of Rs. 153·04 lakhs in capital.

The principal difference between the present estimate and that of October 1926 is the inclusion of Suburban Scheme No. 10—Aerodrome in the estimate of losses. In 1926 the retransfer of the scheme to the Public Works Department was under consideration and as mentioned in note presented later to the Legislative Council, no estimate of its financial position was, therefore, given.

The capital losses on the two railway schemes, Suburban Scheme No. 17—Central Salsette Tramway and Suburban Scheme No. 22—Kurla-Trombay Railway, were estimated in October 1926 at Rs. 63 lakhs and Rs. 5·70 lakhs respectively, against the new estimates of Rs. 68·97 lakhs and Rs. 5·26 lakhs.

The estimated annual loss on Suburban Scheme No. 21—Ambernath Water-Supply in October 1926 was Rs. 3·28 lakhs against the revised figure of 3·15 lakhs.

The annual loss on Suburban Scheme No. 23—Ambernath Electric-Supply was estimated in October 1926 at Rs. 50,000 but did not include sinking fund and depreciation charges. Including these, the annual loss is now estimated at Rs. 0·87 lakhs.

9. III.—Summary of capital losses on Unproductive Schemes.

Schemes	Estimated capital loss	
	On 1st April 1928	On 1st October 1926
	Rs. lakhs	Rs. lakhs
Suburban Scheme No. 12—Suburban Trunk Roads.	16·28	15·50
„ „ No. 13—South Salsette Drainage.	0·58	0·72
Total ...	16·86	16·22

In this case the difference between the 1926 and 1928 estimates is small.

10. *Summary of losses on all Suburban Schemes.*—The following statement summarises our estimates of losses for all schemes and compares them with the 1926 estimates :—

Schemes	Estimated capital loss		Annual loss	
	On 1st April 1928	On 1st October 1926	On 1st April 1928	On 1st October 1926
	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
I. Producing capital receipts ...	82·66	23·85	...	...
II. Producing revenue receipts ...	90·49	68·70	4·02	3·78
III. Unproductive	16·86	16·22	...	...
Totals ...	190·01	108·77	4·02	3·78
Add annual losses capitalised ...	62·55	56·08		
	252·56	164·85		

In 1926 an estimated loss of Rs. 2 lakhs on quarters and offices in Salsette was taken into account. The losses on buildings are dealt with in paragraph 12 (*c*).

11. In the estimate of October 1926 interest was taken at 6·32 per cent. and sinking fund charges at ·4202 per cent. (which is the rate to amortize the debt in 60 years on a 4 per cent. basis). The interest and sinking fund charges on Rs. 108·77 lakhs were, therefore, Rs. 7·33 lakhs. To this was added the annual loss of Rs. 3·78 lakhs on Suburban Scheme No. 21—Ambernath Water-Supply and Suburban Scheme No. 23—Ambernath Electric-Supply making the total annual charges Rs. 11·11 lakhs to cover the losses then anticipated on all suburban schemes.

The interest payable on all the loans of the Development Department averaged 5·99 per cent. in 1927-28. In writing back estimated losses we have based our calculations on an interest rate of 6 per cent. Applying the same rate to the newly estimated loss of Rs. 190·01 lakhs and adding sinking fund charges at ·4202 per cent. the annual charges on the estimated capital loss are now Rs. 12·16 lakhs to which has to be added the annual loss of Rs. 4·02 lakhs on Suburban Scheme No. 21—Ambernath Water-Supply and Suburban Scheme No. 23—Ambernath Electric-Supply, making a total of Rs. 16·18 lakhs against Rs. 11·11 lakhs calculated in October 1926. The increase is accounted for by (1) the definitely poorer prospects of the residential and industrial schemes in class I (Schemes producing capital receipts) and (2) the inclusion of Suburban Scheme No. 10—Aerodrome at Gilbert Hill, in our forecasts.

12. *Miscellaneous charges.*—There are three sets of annual charges which have not been taken into account in framing our estimate of losses on suburban schemes. They are of a kind which should not be paid from loan moneys with a consequent accumulation of debt. They will therefore constitute a further demand on provincial revenues. These are specified below :—

(*a*) *Interest on part of the depreciation fund of the Bombay Development Loan.*

Although the average rate of interest payable on loans was 5·99 per cent. in 1927-28 a further interest charge has to be met on about Rs. 50 lakhs invested in the one per cent. depreciation fund maintained under the conditions of the Bombay Development Loan. For five years this fund was virtually maintained by borrowing instead of from revenue sources as is now done. The interest earned on the sums borrowed and placed in the depreciation fund are credited to the fund and are not available for meeting the interest payable to the Government of India on the borrowed moneys. These interest charges amounting to approximately Rs. 3 lakhs annually have to be distributed *pro rata* over all the schemes of the Department. We are not here concerned with the share taken up by the Back Bay Reclamation Scheme and the Industrial Housing Scheme but the extra amount debitable to all the Suburban Schemes annually and amounting approximately to Rs. ·69 lakhs must be added to the total annual liquidation charges of Rs. 16·18 lakhs given in the previous paragraph.

(*b*) *Establishment charges.*

(Appendix No. 25)

A share of the establishment charges of the Development Department Secretariat and allied offices is debitable to suburban schemes. This share is estimated to amount to Rs. 1,00,319 annually at present and should be met from provincial revenues.

A full discussion of the establishment charges in the Development Department is given in appendix No. 25, in which an explanation of this amount is given. We invite the attention of the Committee to our recommendations regarding the method of distributing establishment charges in future in the Development Department. The method of distribution has some practical interest for the public, *e.g.*, to consumers of water in the suburbs and our recommendations are therefore of more than departmental importance.

(*c*) *General charges.*

(Appendix No. 26)

These charges in respect of office and residential buildings are allied to establishment charges and are explained in appendix No. 26. The amount debitable annually to suburban schemes is Rs. 45,430 and requires to be met from provincial revenues.

In October 1926 the write-off suggested against general charges was a capital sum of Rs. 2 lakhs, equivalent at that date to an annual charge of Rs. 13,480 for interest and sinking fund charges.

13. *Summary of miscellaneous annual charges to be met from provincial revenues.*

	Rs.
(*a*) Interest charges on part of the Depreciation Fund of the Bombay Development Loan ...	69,000
(*b*) Secretariat and other establishment charges ...	1,00,319
(*c*) General charges	45,430
Total ...	2,14,749
or ...	2·15 lakhs.

CONCLUSION

14. If the miscellaneous annual charges amounting to Rs. 2·15 lakhs annually (see preceding paragraph) are added to the figure of Rs. 16·18 lakhs, given in paragraph 11, as the annual loss on all suburban schemes, we get a total sum of Rs. 18·33 lakhs which must be defrayed annually.

Suburban development is subsidised under Act XX of 1920 to the extent of Rs. 4 lakhs annually from the proceeds of the town duty on raw cotton. Of this amount Rs. 25,000 is required to meet expenditure incurred (1) in remitting charges for establishments and tools

and plant employed on schemes of local authorities and (2) in occasional remission of interest charges on loans. The balance available for subsidising suburban schemes of the Development Department is Rs. 3·75 lakhs.

Temporary receipts amounting at present to Rs. 34,000 annually [paragraph 4 (2)] are also available meantime for the same purpose.

Thus Rs. (3·75 *plus* ·34) lakhs=Rs. 4·09 lakhs are available for meeting the total annual deficit of Rs. 18·33 lakhs on suburban schemes. The uncovered balance of Rs. 14·24 lakhs will have to be met annually from provincial revenues. The amount is Rs. 6·74 lakhs more than the present annual provincial subsidy of Rs. 7·5 lakhs to suburban schemes.

As revenue accounts have been opened for Suburban Scheme No. 21—Ambernath Water-Supply and Suburban Scheme No. 23—Ambernath Electric-Supply the annual losses on these two schemes estimated at Rs. 4·02 lakhs will be met automatically from provincial revenues. Deducting this amount from Rs. 14·24 lakhs the difference of Rs. 10·22 lakhs will be required to be provided as a subsidy towards the remaining schemes for which revenue accounts have not yet been opened.

The provincial subsidy of Rs. 7·5 lakhs for suburban schemes provided in the current year's budget is Rs. 6·74 lakhs below the amount required, according to our calculations, to maintain the solvency of suburban schemes as a whole. If the additional amount required is not provided in the current year it ought otherwise to be taken into account, *e.g.*, by adding the interest and sinking fund charges on Rs. 6·74 lakhs to the estimated charges on provincial revenues in future years. On the other hand we have not taken into account a probable decrease in the average rate of interest payable on the borrowings of the Department due to—

(1) possible reductions in the rate of interest charged by the Government of India

(2) cancellation of part of the earlier loans from the Government of India on transfer of block 8 of the Back Bay Reclamation Scheme to the military authorities.

We also draw attention to the fact that our estimates of the financial position on 1st April 1928 are approximate and require to be checked against the final accounts of the Department for the year 1927-28.

GENERAL SUMMARY

	Rs. lakhs.
(1) Interest and sinking fund charges on a capital loss of Rs. 190·01 lakhs. (*Vide* paragraph 10) ...	12·16
(2) Miscellaneous annual charges—	
(*a*) Interest on part of the Depreciation Fund of the Bombay Development Loan ...	·69
(*b*) Secretariat and allied establishment charges	1·01
(*c*) General charges	·45
	14·31

Deduct—

	Rs. lakhs.	Rs. lakhs.
(3) Temporary receipts from schemes producing capital receipts	·34	
(4) Share of proceeds of town duty on raw cotton	3·75	
		4·09
Balance to be met by provincial subsidy ...		10·22
Add—		
(5) Annual losses on Suburban Scheme No. 21 (Ambernath Water-Supply) and Suburban Scheme No. 23 (Ambernath Electric Supply) ...		4·02
Total charge on provincial revenues ...		14·24

R. D. BELL,
(Chairman),

MANU SUBEDAR,
(Member),

IG. D'MONTE,
(Member),

R. H. A. DELVES,
(Co-opted Member),

S. P. GHEEWALA,
(Secretary).

29th September 1928.

Appendices to the Report of the Sub-Committee appointed to report on the financial prospects of the Suburban Schemes of the Development Department.

APPENDIX No. 1.

SUBURBAN SCHEME No. 1—KURLA-KIROL.

The total expenditure to end of March 1927, incurred on this scheme, as reported by the Audit and Accounts Officer, Bombay Development Scheme, is Rs. 14·14 lakhs and against this there have been receipts of Rs. 69,000. Therefore the net expenditure to end of March 1927 is Rs. 13·45 lakhs. All this expenditure, except Rs. 45,000 for preliminary surveys, has been incurred on land acquisition only, with interest and establishment charges thereon. No expenditure has yet been incurred on development works. The only areas in this scheme so far disposed of are (1) a small piece of less than an acre sold to a match factory and (2) an area of about 31 acres transferred to the G. I. P. Railway for car sheds, for which the railway has paid market value (Rs. 31,000 roughly).

2. For this scheme, an area about 589 acres was originally notified for acquisition in 1919, before the Development Department came into existence. This area was intended for locating new industries outside Bombay. There are at present no prospects of any material demand for plots in this scheme and the question for consideration is whether the surplus land should be sold outright or continue to be leased as at present. Out of these 589 acres originally notified for acquisition, about 31 acres have been transferred to the G. I. P. Railway as stated above and about 92 acres were leased to the Improvement Trust for quarrying purposes. The Improvement Trust has since re-transferred the area to this Department. This area, as well as the balance of the surplus area of about 465 acres, are now in charge of the Collector, Bombay Suburban District.

3. The area of 92 acres returned by the Improvement Trust is all hilly land unfit for cultivation and it has been leased by the Collector, Bombay Suburban District, for grazing at a rental of Rs. 500 a year. Against this, the amount of compensation paid for acquiring this land comes to Rs. 75,000. The yield of Rs. 500 per annum on this expenditure gives only a rate of less than 1 per cent. This is very poor, but there seems to be no prospect of improving this yield, because the land is unfit for any other purposes except that of quarrying and removing soil and is already full of pits. The present market value of this land suggested by the Collector, Bombay Suburban District, is Rs. 19,000 roughly for the 93 acres at Rs. 200 an acre and the yield of Rs. 500 per annum gives only a return of $2\frac{3}{4}$ per cent even on the market value. The question for consideration is whether it would not be better to dispose of this area at a rate in the neighbourhood of the present market value given above. It is, however, doubtful if purchasers for the whole of the area even at Rs. 200 per acre would be forthcoming in the present trade depression.

4. Of the other area of 465 acres, about 410 acres have been leased by the Collector, Bombay Suburban District, for Rs. 6,551 per

annum. The leases are in most cases for the period to end of December 1928. The average rate of compensation paid for this land was Rs. 1,500 per acre, and, therefore, the return to Government on the leased land is 1·06 per cent on the amount of compensation paid. Even on the present market value of the land, estimated at Rs. 800 to Rs. 1,000 per acre, the receipts do not yield more than 2 per cent. This area, however, can yield much filling material and the Collector, Bombay Suburban District, considers that if the area south of the Bombay-Agra Road and adjoining the railway line, about 140 acres, is purchased by the G. I. P. Railway for staff quarters as proposed, and the remaining area is filled up, Government would realise the amount spent in acquiring it. The area north of the Bombay-Agra Road is a hilly tract. The hilly portion situated in the Kurla village contains thousands of old country mango trees which, if sold, for cutting down as fuel would realise a few thousand rupees. At present this area (76 acres) has been leased for Rs. 1,800 per year up to the end of December 1928. A good deal of this land is required by the Ghatkopar-Jiva-Daya Association for grazing but they are not likely to pay more than what Government are getting from the land at present.

5. The balance of the surplus land at present in charge of the Collector, Bombay Suburban District, which is lying unleased is about 55 acres. It has not been possible to lease it as most of it consists of *Khajan* and remains under water in the rainy season. The Collector, Bombay Suburban District, is, however, endeavouring to let it for fishing purposes.

6. The lands in this scheme should continue to be held by Government till the requirements of the G. I. P. Railway are definitely ascertained.

Summary of Financial Position and Prospects.

Assets on the 31st March 1928: 558 acres or 27,00,000 square yards roughly.

	Rs.	a.
Cost of land per square yard	0	5·27
Other cost per square yard	0	3·11
Total book cost per square yard	0	8·38

Whether will appreciate: Probably not during the next eight years.

Whether can be sold now: Yes, but only in small lots.

Price obtainable per square yard for early disposal: The Committee estimate that plots fronting on the Agra Road were now worth about eight annas per square yard and that the low lying back land if forced on the market would not yield more than Rs. 100 per acre. The best of the remaining land was valued at Rs. 3,000 per acre. On these figures the valuation of the whole area was taken at Rs. 600 per acre on the average. This valuation allows for "wastage" in disposal if access has to be specially provided to rear areas.

Rate at which receipts from land sales would be realised: Rs. 20,000 per annum.

Total realisations from land sales: Rs. 3,34,800.

Total realisations from land sales written back eight years: Rs. 2,10,087 or Rs. 2·10 lakhs.

Further capital expenditure to be incurred before all assets are sold: Nil.

Revenue receipts per annum at present: Rs. 7,000.

Debt on the 1st April 1927 : Rs. 13·45 lakhs.

Debt on the 1st April 1928: say Rs. 14·26 lakhs.

Estimated capital loss as on the 1st April 1928: Rs. 14·26 lakhs – Rs. 2·10 lakhs = Rs. 12·16 lakhs.

APPENDIX No. 2.

Suburban Scheme No. 2—Trombay North-East.

This scheme consists of an area of 3,175 acres approximately which was included in the general notification for acquisition of land in Trombay issued in 1920 and was intended for noxious trades such as tanneries and dye-works. In the first instance, a portion of the area was to be developed as a site for shifting the tanneries from Dharavi because the Municipal Commissioner for the City of Bombay had served notices to the tanners in that area that their licenses would not be renewed while subsequently the Improvement Trust notified for acquisition the whole of the Dharavi area in connection with one of their schemes. After ascertaining the requirements of the tanners a scheme was, therefore, prepared for providing a suitable area for the tanneries close to Mandala station on the Kurla-Trombay Railway.

2. The position now is that the Bombay Municipality have agreed to renew the licenses for the tanneries at Dharavi for the present and the Improvement Trust have excluded the area occupied by the tanneries from their Dharavi scheme owing to the prevailing depression in the property market. It is now unlikely that the tanneries will move to the new site in the near future. Under the altered conditions Government have already withdrawn from the acquisition of an area of about 2,632 acres out of 3,175 acres originally notified and the question of denotifying all the remaining notified but unacquired lands is now under the consideration of Government.

3. The gross expenditure on the scheme to end of March 1927 amounts to Rs. 18·05 lakhs. Against this expenditure, there have been some receipts amounting to Rs. 12,000. Of the net expenditure

of Rs. 17·93 lakhs incurred up to March 1927 on the scheme, Rs. 5·97 lakhs have been spent on acquisition of about 230 acres which gives an average cost of Rs. 2,598 per acre, and Rs. 5·30 lakhs have been spent on works mainly in filling up the low lying area intended to locate the tanneries.

4. The 230 acres referred to above, do not include the land measuring about 42 acres acquired for the military explosives depôt at a cost of Rs. 22,871 or the land measuring about 37½ acres acquired at a cost of Rs. 47,074 for the extension of the Kurla-Trombay Railway to Mandala. These costs have been debited to the Military Lands Scheme and Suburban Scheme No. 22—Kurla-Trombay Railway, respectively. Besides these, about 125 acres have been acquired in this scheme at a cost of Rs. 93,051 and allotted to the Bombay Gowrakshak Mandali in accordance with the terms of settlement with that body in respect of land acquired from it at Akurli for the Back Bay quarry. This area has also not been included in the area of 230 acres referred to above as the cost, *viz.*, Rs. 93,051, has been debited to Bombay Scheme No. 1—Back Bay Reclamation. About 66 acres have also been acquired at a cost of Rs. 45,000 and handed over to the Bombay Municipality for a new slaughter house at Deonar. This cost has also been paid by the Municipal Corporation. Some land has also been acquired for the Hydro-Electric Transmission Line and Nila Mula Power line but it has not been taken into account, as the cost of acquiring this land will be recovered from the companies concerned.

5. The land remaining with Government, *viz.*, 230 acres approximately, has been leased for different periods—in most cases the period runs up to 1930. The annual rental derived from the leases is Rs. 5,364 only. This gives an annual return of Rs. 23·3 per acre whereas the cost of acquisition, on an average, is Rs. 2,687 per acre. This is even less than 1 per cent. return on the expenditure. However, the rate at which compensation was awarded for the acquisition of the land in this scheme is high, as it included compensation for trees, the value for which was fixed rather high. As stated above, most of the land has been leased up to end of December 1930, as it was difficult to find a lessee for fruit trees for only one year. The land has gone down in value as elsewhere, and the Collector, Bombay Suburban District, considers it very difficult at present to estimate its market value. Considering this, and also the fact that most of the land is leased till end of 1930, the Collector considers that the best course is to wait till that time, when the relative advantages of selling outright or continuing to lease will be better apparent than at present.

6. The Advisory Committee have recorded the opinion that after December 1930, when the existing leases of the land expire, the land should be sold if a price in excess of the capitalised value of the present receipts can be obtained. The Committee also recommend that no more land should be acquired.

Summary of Financial Position and Prospects.

Assets : 230 acres or 11,13,000 square yards.

		Rs.	a.
Cost of land per square yard	...	... 0	8·6
Other cost per square yard	...	... 1	1
Total book cost per square yard	...	... 1	9·6

Whether will appreciate in next 8 years: Very slightly.

Whether can be sold now: Yes in small lots only.

Price obtainable for early disposal: Rs. 450 per acre.

In a recent auction of an area of 5 acres 8 gunthas acquired at a cost of Rs. 28,500 (including 15 per cent. for compulsory acquisition) the highest bid was Rs. 7,100. This area included 140 mango trees, a few chicu trees, a residential building and two wells. Over part of the area mango trees for which heavy compensation was paid were cut down during filling in operations.

Some of the land is low lying and now worth very little.

The whole area is now valued at an average rate of Rs. 450 per acre.

Rate at which receipts from land sales would be realised: about Rs. 10,000 per annum.

Total realisations from land sales: Rs. 1,04,000

Total realisations from land sales (written back 8 years): Rs. 65,250.

Further capital expenditure to be incurred before all assets are sold: Nil.

Revenue receipts at present: Rs. 5,400 per annum.

Debt on 31st March 1927: Rs. 17·98 lakhs.

Debt on 31st March 1928: say Rs. 19·00 lakhs.

Estimated capital loss as on 31st March 1928: Rs. 19·00 lakhs – Rs. ·65 lakhs = Rs. 18·35 lakhs.

APPENDIX No. 3.

Suburban Scheme No. 3—Trombay North-West.

As originally framed this scheme comprised an area of 1741 acres approximately which was included in the general notification for acquisition of land at Trombay issued in 1920. It is divided into four sectors, *viz.*, Chembur, Pestomsagar, Wadavli and Little

Malabar Hill. The total area acquired and paid for in each of these sectors is 471 acres as follows :—

	A.	g.	a.
Chembur sector ...	176	12	0
Pestomsagar „ ...	68	3	0
Wadavli „ ...	125	34	8
Little Malabar Hill sector...	100	32	0
	471	1	8

Out of the land remaining under notification, an area of about 971 acres has already been denotified and proposals for further denotification are at present under the consideration of Government.

2. The total gross expenditure on the scheme up to the end of March 1927 amounts to Rs. 19,21,735. Deducting therefrom the receipts of Rs. 1,62,444 up to the same date, the net expenditure amounts to Rs. 17,59,291.

3. The development of the scheme is confined to Chembur sector which is known as Chembur Garden Suburb. The total net building area in this sector is about 128½ acres or 6,21,369 square yards, out of which an area of 3,67,274 square yards has been developed. An area of about 1,40,853 square yards or about 29 acres out of the developed land has been disposed of in this sector, either by settlement or by outright sales. In the other sectors, *viz.*, Wadavli, Pestomsagar and Little Malabar Hill, which have not yet been developed, an area of 27 acres has been disposed of under settlement. The total area disposed of in the whole scheme either by sales or by settlements comes to about 56 acres, leaving a balance of about 367 acres or 17·76 lakhs of square yards for disposal. Land measuring about 241½ acres out of the undisposed land in the scheme has been leased for the present at an annual rental of Rs. 3,725. In this area paddy land is leased at the rate of three times the agricultural assessment and the garden land at five times the agricultural assessment. The rate of assessment in this area is from Rs. 6 to Rs. 8 per acre. The average rate of compensation paid for the area is Rs. 1,550 per acre excluding the price of trees. At present the return is hardly 1·5 per cent. of the compensation paid. The Collector, therefore, recommends that, barring the land on which fruit trees stand, it will be better to sell the land in this scheme.

4. No further expenditure on development is being incurred in this scheme. The Advisory Committee desire to point out that a new approach road from the city of Bombay to this scheme across the flats was proposed, but that it could not be undertaken as the Municipality have refused to pay the cost of the part of the road for which they are the responsible authority. The failure to complete this road has retarded the sale of plots in this scheme.

Summary of Financial Position and Prospects.

Assets: 367 acres or 17,76,000 square yards.

	Rs. a.
Cost of land per square yard ...	... 0 5·9
Other cost per square yard ...	... 0 11·4
Total book cost per square yard ...	... 1 1·3

Whether will appreciate in next 8 years: Only very slowly.

Whether can be sold now: Yes in small lots.

Immediate price obtainable:

	Total Rs.
(1) Pestomsagar sector—	
68 acres at Rs. 100 per acre ...	6,800
(2) Chembur sector—	
2·26 lakhs square yards at Re. 1 per square yard	2,26,000
2·54 lakhs square yards at 3 annas per square yard.	47,600
(3) Wadavli—	
100 acres at Rs. 1,000 per acre ...	1,00,000
(4) Little Malabar Hill—	
100 acres at Rs. 500 per acre ...	50,000
Total realisations from land sales ...	4,30,400

Rate at which receipts from land sales will be realised: Rs. 27,000 per annum.

Total realisations from land sales (written back eight years): Rs. 2,70,000.

Further capital expenditure to be incurred: Nil.

Revenue receipts per annum at present: Rs. 3,700

Debt on 1st April 1927: Rs. 17·59 lakhs.

Debt on 1st April 1928: say Rs. 18·65 lakhs.

Estimated loss on 1st April 1928: Rs. 18·65 lakhs – Rs. 2·70 lakhs = Rs. 15·95 lakhs.

APPENDIX No. 4.

Suburban Scheme No. 4—Trombay West.

This included an area of about 3,679 acres in the villages of Maraovli, Anik and Mahul which area was notified for acquisition primarily in connection with the Port Trust's proposed scheme of

constructing new docks in the south-west corner of Trombay. The whole of this area has already been denotified with the exception of such areas as were required for (*i*) the Central Salsette Railway, (*ii*) the Tata Hydro-Electric line and (*iii*) the Port Trust's purposes. As the cost of acquisition has been debited to the schemes and bodies concerned there is no expenditure on this scheme.

APPENDIX No. 5.

Suburban Scheme No. 5—Malavni.

This scheme was framed originally for the development of about 450 acres of waste land in Malavni village which it was proposed to be taken over from the Revenue Department when required on the understanding that that Department would receive credit representing the agricultural value of the land. The scheme has, however, been postponed *sine die* and is not likely to be revived in the near future. The only expenditure incurred on the scheme is that on the improvement of the Malad-Marve Road which gives access to Malavni village from the Bandra-Ghodbunder Road and which was necessary for giving access to some public quarries and to important Government quarries, the stone from which was allowed to be used for public buildings. The expenditure amounting to Rs. 1,24,948 on the Malad-Marve Road has since been transferred to Suburban Scheme No. 12—Suburban Trunk Roads and the accounts of this scheme have been closed.

APPENDIX No. 6.

Suburban Scheme No. 6—Danda.

The area included in this scheme was notified by Government in the Revenue Department before the formation of the Development Department, for building quarters for Government officials. Part of the land was handed over to the B. B. and C. I. Railway at the cost of acquisition and the remainder comprising 93,463 square yards was transferred to the Development Department to deal with. A scheme was consequently prepared and sanctioned for the development and disposal of the area. Out of the gross area of 93,463 square yards, an area of 16,614 square yards has been occupied by roads and open spaces. The net building area is thus 76,849 square yards, out of which an area of 19,771 square yards has, up to 31st March 1927, been disposed of, either by sale or by settlement, for a sum of Rs. 1,46,493. The total expenditure on the scheme up to 31st March 1927 amounts to Rs. 6·65 lakhs. After deducting therefrom the receipts realised from the sales of land upto 31st March 1927, the net expenditure on the scheme amounts to (Rs. 6·65 lakhs − 1·48 lakhs =) Rs. 5·17 lakhs. Against this, the assets are 57,716 square yards of developed land.

2. The access to the Danda Scheme has recently been greatly improved by the completion of the extension of Turner Road which gives direct access to the Scheme from Bandra Station. Owing to the stagnation of the property market, however, there is no demand for plots in the scheme at present. The Land Manager, Development Department, therefore, submitted a proposal for the reduction in the rates of 35 plots, still remaining to be sold. The proposal has been recently approved by Government. The average price for sale of plots, as now sanctioned, comes to Rs. 8·1 per square yard, which is to remain in force for a period of one year from the date of issue of orders, *viz.*, from December 1927.

Summary of Financial Position and Prospects.

Assets on 31st March 1928 : 57,000 square yards building area.

	Rs.	a.
Cost of land per square yard	4	12
Other cost per square yard	3	15
Total book cost per square yard ...	8	11

Whether will appreciate : Slowly.

Whether can be sold now : Yes.

Immediate price obtainable per square yard : Rs. 6-0-0

Probable future price per square yard : Rs. 8-0-0

Rate at which receipts from land sales would be realised : About Rs. 21,000 per annum.

Total realisations from land sales : Rs. 3·42 lakhs.

Total realisations from land sales (written back 8 years) Rs. 2·14 lakhs.

Further capital expenditure to be incurred before all assets are sold : Rs. 10,000.

Debt on 1st April 1927 : Rs. 5·17 lakhs.

Debt on 1st April 1928, including capital expenditure of Rs. 10,000 during 1927-28 : Rs. 5·58 lakhs.

Estimated capital loss as on 1st April 1928 : Rs. 5·58 lakhs.
minus Rs. 2·14 lakhs=Rs. 3·44 lakhs.

APPENDIX No. 7.

Suburban Scheme No. 7—Khar Model Suburb.

The area comprised in this scheme is situated north of Bandra between the B. B. & C. I. Railway and the sea served directly by a new station. The demand for land in this scheme is greater than in any other scheme of the Department. The gross area is 8,21,978 square yards and the net building area 6,14,004 square yards. The

scheme has been divided into four sectors, A, B, C and D. Sector A is the area between Khar Railway Station and the Bandra-Ghodbunder Road while the remaining sectors lie between the Bandra-Ghodbunder Road and the sea. Sector A being nearer the railway station, plots in it have been allowed for shops, while a site for a market has been allotted, under a settlement, to the Bandra Municipality. A few plots have been sold in this sector. In sector B almost all plots have been sold. Some plots have also been sold in sector C which will be further developed as the demand for plots arises. The demand for plots in sector D and to some extent also in sector C will be checked until a suitable access from the scheme seawards is provided. The total area disposed of in all sectors up to 31st March 1927 comes to 2,04,670 square yards at a price of Rs. 11·85 lakhs.

2. The gross expenditure on the scheme up to 31st March 1927 amounts to Rs. 30·02 lakhs. After deducting therefrom the receipts of Rs. 11·85 lakhs, the net expenditure amounts to Rs. 18·17 lakhs leaving an area of 4,09,334 square yards for disposal. This scheme has been very popular but further expenditure is incurred only as the plots already developed are sold off. The supply of electric energy seems to be assured in the scheme area very shortly as Messrs. Killick Nixon and Company have recently taken a plot for the purposes of an electric supply station. This amenity together with the electrification of the B. B. & C. I. Railway suburban section ought to maintain the popularity of the scheme, although the unsold residential plots are now at some distance from the station.

3. The Advisory Committee are of the opinion that a shopping area should be established at the western end of this scheme. They approve the recent action of Government in reducing the selling rates of land in the scheme. They consider that selling rates should be reconsidered whenever sales fall below Rs. 1,50,000 annually.

Summary of Financial Position and Prospects.

			Sq. yards.
Assets on 1st April 1928	...	...	4,09,000
			Rs. a.
Cost of land per square yard	...	...	2 5¼
Other cost per square yard	...	...	2 7¾
Total book cost per square yard	...	...	4 13

Whether will appreciate: Only very slowly.

Whether can be sold now: Yes, in building plots.

Price obtainable per square yard for early disposal: Rs. 5

x Sims introduced

		Rs.
Rate at which receipts from land sales would be realised	... ...	1,02,250 per annum.
Total realisations from land sales	... ...	20,45,000
Total realisations from land sales (written back ten years)	... ...	11,42,000
Further capital expenditure to be incurred before all assets are sold	... ...	2,70,000 for works
	plus ...	67,000 for establishment charges.
Further capital expenditure to be incurred before all assets are sold (written back eight years)	...	1,69,000
	plus ...	42,000
Revenue receipts per annum	... ...	3,000
Debt on 1st April 1927	... ...	18,17,000
Net expenditure during 1927-28	... ...	6,000*

	Rs.
*Interest charges	1,09,000
Works expenditure	45,000
Total expenditure	1,54,000
Deduct—receipts	-1,48,000
Net expenditure	6,000

Therefore debt on 1st April 1928 : Rs. 18,23,000.

Estimated capital loss as on 1st April 1928: Rs. 18·23 lakhs *plus* 2·11 lakhs *minus* 11·42 lakhs = Rs. 8·92 lakhs.

APPENDIX No. 8.

Suburban Scheme No. 8—Chapel Road, Bandra.

The development of this scheme has been completed and nearly 95 per cent. of the area has been disposed of. The gross area of the scheme is 1,40,868 square yards and the net building area is 1,07,688 square yards after allowing 33,180 square yards for roads and open spaces. The gross expenditure on the scheme up to 30th September 1927 amounts to Rs. 2,52,448 while the gross receipts amount to Rs. 2,44,702. The net expenditure on the scheme, therefore, amounts to Rs. 7,746 only. Against this outstanding balance, the assets are nine plots measuring about 6,232 square yards available for sale and valued at between Rs. 5-4-0 and Rs. 7 per square yard or a total of Rs. 36,335. The scheme has, therefore, proved a success as a small surplus of about (Rs. 36,335 − 7,746) = 28,589 or say Rs. 28,000 in round figures appears to be assured after meeting all charges.

Summary of Financial Position and Prospects.

Assets on 1st April 1928	2,900 sq. yards.
Total book cost	Nil: The net surplus receipts amount to Rs. 11,000.
Whether can be sold now:	Yes, within one year.
Immediate price obtainable:	The present sanctioned price of the plots in this area is Rs. 6½ per square yard, and at this price the plots are gradually selling.

If the price is reduced by 8 annas a square yard, all the remaining area, which comprises four plots, can be disposed of within a year.

	Rs.
Total realisations from land sales at this price of Rs. 6 a square yard would be	17,000
Total realisations from land sales at this price of Rs. 6 a square yard would be (written back six months)	16,500
Further capital expenditure to be incurred before all assets are sold	Nil.
Total estimated surplus as on 1st April 1928 ...	11,000 *plus* 16,500=
	27,500

APPENDIX No. 9.

SUBURBAN SCHEME No. 9—MURZBANABAD.

This included the land in the village of Vile Parle measuring about 77 acres notified in 1922. The object of the scheme was to develop the land and to reinstate, as far as practicable, the occupants in reconstituted plots, on their paying suitable shares of the cost of development. As the owners were not in favour of the scheme the whole area has since been denotified. No expenditure has been incurred on the scheme.

APPENDIX No. 10.

SUBURBAN SCHEME No. 10—GILBERT HILL AERODROME SITE.

This area comprises about 385 acres of land to the west of Andheri which, with the exception of about 95 acres of Government land included therein, was notified and acquired by Government in 1919 for civil aviation purposes. Out of the 385 acres, about 45 acres have been returned to the original owners.

2. When the Development Department came into existence, the filling of the ærodrome site measuring 600 × 900 yards was being done by the Public Works Department and had been 75 per cent. completed. It was then decided that the liabilities and assets of the scheme should be transferred to the Development Department and the filling was finished by this Department. The total expenditure including accumulated interest charges up to the 31st March 1927 on this scheme amounts to Rs. 15·51 lakhs while the receipts up to the same date amount to Rs. 17,000. The total net expenditure on the scheme therefore amounts to Rs. 15·34 lakhs.

3. It is not likely that the site will now be required for aviation purposes, but the matter is at present under the consideration of the Government of India. The scheme is not really a Development Department scheme as it was initiated by the Public Works Department and considerable expenditure thereon was incurred by that Department before this Department came into existence. The only expenditure which this Department incurred was on the completion of the filling left incomplete by that Department. The Public Works Department is, therefore, responsible for this liability. If the Government of India do not agree to take up the area in this scheme for aviation purposes, the question of the re-transfer of the assets and liabilities of this scheme to the Public Works Department will be taken up. Steps must in any event be taken to extinguish the capital debt on the scheme.

Summary of Financial Position and Prospects.

Assets.....245 acres* or 11·86 lakhs square yards.

* Excluding an area of 95 acres of Government land which has not been paid for.

Cost of land per square yard	...	...	5·3 annas.
Other cost per square yard	...	...	15·7 „
Total book cost per square yard	...	...	Rs. 1-5

Whether will appreciate : Very slightly.

Whether can be sold now : Only in small lots or at a very low valuation.

Immediate price obtainable per acre : Rs. 300.

The capital debt on this scheme on 1st April 1928 was approximately Rs. 16·26 lakhs.

Till a disposal scheme is framed, the interest and sinking fund charges on this amount should be met from provincial revenues.

Estimated loss on 1st April 1928 may, therefore, be taken as Rs. 16·26 lakhs.

APPENDIX No. 11.

Suburban Scheme No. 11—Rann of Juhu.

This comprises about 807 acres of low-lying land to the west of Bandra-Ghodbunder Road between Versova and Santa Cruz. It was notified by Government in the Revenue Department in 1919 with other lands for purposes of providing facilities for civil aviation in Bombay. The area, which was duly acquired and taken possession of, formed part of the lands in the villages of Juhu and Vile Parle which were assigned by Government to one Mr. Nowrojee Jamsetjee and his heirs, who are now commonly known as the Khot of Vile Parle and Juhu, in perpetuity under a deed in the year 1847-48. The acquiring Officer held that under one of the clauses of this deed the Khot was not entitled to the market value of the land. The Khot accordingly made a reference to the Court under the Land Acquisition Act for determination of compensation. Finally, he accepted a settlement with Government the main condition of which is that, out of the total area, Government will retain an area of about 338 acres, the balance being returned to the Khot on the Ryotwari tenure.

2. The total expenditure on the scheme up to the 31st March 1927 amounts to Rs. 10,330; deducting therefrom the receipts of Rs. 9,943 realised up to the same date, the net expenditure amounts to Rs. 387 only.

APPENDIX No. 12.

Suburban Scheme No. 12—Suburban Trunk Roads.

This is one of the schemes of communication in Salsette undertaken as a definitely losing scheme. It was originally intended that the whole or greater part of the expenditure incurred on this scheme should be recovered by a contribution per square yard included in the price fixed for plots in suburban schemes, interest on the expenditure being met in the meanwhile from the amount of Rs. 4 lakhs per annum allotted from the cotton cess to cover losses on suburban schemes. Government afterwards decided, however, that in view of the finances of the schemes on which this betterment charge was levied, it should be discontinued and the charges levied in the past should also be written back. Thus the total expenditure incurred on the scheme is wholly unproductive and will have to be written off against the cotton cess receipts or the subsidy from the provincial Government.

2. The expenditure on the scheme incurred up to 31st March 1928 amounts to Rs. 23·75 lakhs. Of this, Rs. 6·43 lakhs were written off from the cotton cess up to 31st March 1927 and a further sum of Rs. 1·04 lakhs, equal to the deficit in the revenue account of the scheme during 1927-28, will be written off from the cotton cess receipts during that year. The total amount thus written off from the cotton cess to end of 1927-28 will be Rs. 7·47 lakhs, leaving the balance of expenditure on 31st March 1928 at Rs. 16·28 lakhs.

3. The main item of expenditure is the widening and reconstruction of the Bandra-Ghodbunder Road from Bandra to Andheri, including the acquisition of the necessary land. Other principal items include the reconstruction of the Malad-Marve Road and the Santa Cruz Station Road. The reconstructed Bandra-Ghodbunder Road was handed over to the Public Works Department for maintenance in January 1925, and the Malad-Marve Road has since been returned to the District Local Board. All work on this scheme has been stopped. It is unlikely that any further capital expenditure will be incurred on this scheme.

4. So far the deficit in the revenue account of this scheme has been written off every year from the cotton cess receipts. From the current year, however, it will be possible to write off the capital expenditure in instalments from the cotton cess receipts and the subsidy from provincial revenue.

APPENDIX No. 13

Suburban Scheme No. 13—South Salsette Drainage.

The expenditure incurred so far on this scheme was mainly on account of surveys and the preparation of schemes of drainage in the suburban area. The drainage schemes principally undertaken were on behalf of the Municipalities of Bandra and Kurla and on behalf of the Notified Area Committee of Andheri.

2. In the general retrenchment of staff of the Development Department, which has been made since the year 1923, the Suburban Sanitary Division which dealt with these drainage projects, was retrenched. There being, therefore, no staff to deal with these projects, they were transferred to the Public Works Department. The cost incurred on them was mainly for establishment employed on the preparation of these projects. A credit, equivalent to 2½ per cent. of the estimated cost of works in the Kurla and Andheri *gaothan* projects, was given to this Department by the Public Works Department and has been adjusted in reduction of establishments charges distributed *pro-rata* on the cost of all suburban schemes. A similar credit may be received from the Public Works Department on account of the preparation of the Bandra drainage project and will be similarly dealt with.

3. The total expenditure incurred on Suburban Scheme No. 13—Salsette Drainage to end of March 1927 is Rs. 72,000 in round figures. Some items of expenditure included in this figure, aggregating Rs. 14,000, pertain to some town-planning schemes, and will be written back to those schemes. After this write-back, the total expenditure on the scheme will stand at Rs. 58,000. Any credit received from the Public Works Department on account of the Bandra project will not materially affect this figure as the credit will be distributed *pro-rata* on all the suburban schemes and the share of Suburban Scheme No. 13 will be very small.

4. The whole of the expenditure will have to be written off against the subsidy obtained from provincial revenues to cover losses on suburban schemes.

APPENDIX No. 14.

Suburban Scheme No. 14—Mogra.

In October 1919 certain land in the villages of Mogra, Majas and Bandhivli was notified for acquisition by the Revenue Department for (*a*) the Ismail College and (*b*) for model housing. The land for model housing was granted by Government in the Revenue Department to the two Co-operative Societies, the Gaud Saraswat Housing Society and the Hindu Friends' Housing Society at the cost of acquisition. It was arranged that the Societies should surrender, free of cost, strips of land required for main roads and that they should further provide for the payment if demanded under certain conditions, of a contribution, not exceeding Re. 1 per square yard to the Development Funds on account of the cost of General Development of Salsette. As further demands for land in the neighbourhood were coming in from other Societies, it was also arranged that in future, such land should not be granted to the Societies merely on payment of the cost of acquisition (with or without a contingent liability to contribute later towards the general cost of Development) but that the land should be bought at the expense of the Development Funds, and, after the general layout has been determined, it should be granted to the Societies at a price which should include a contribution to the cost of General Development. No further land was, however, notified for acquisition at the cost of Development Funds. Except for the small debit amounting to Rs. 331-15-1 for survey, there is no expenditure on the scheme. This small debit was transferred to miscellaneous account and the scheme was closed.

APPENDIX No. 15.

Suburban Scheme No. 15—Ambernath Development.

This scheme was undertaken in order to provide facilities for large industries which could no longer be located in Bombay City. The site required had to combine :—

(*a*) room for considerable expansion in the future, if necessary ;

(*b*) possibilities of a large water-supply ;

(*c*) facilities for disposal of effluent from factories ;

(*d*) road and railway facilities for factory sites ;

(*e*) reasonable freedom from malaria.

2. As best meeting the required conditions, an area near Ambernath Station, some 40 miles from Bombay, was selected. The water-supply is from the Ulhas river at Badlapur which takes the tail water of the Andhra Valley Power Supply Company, and a nullah falling into the Ulhas below the tidal limit offers a simple means of disposal of effluent. The area is outside the influence of the Ulhas river floods and the conditions otherwise are favourable. The Kalyan-Badlapur Road passes through the area and the G. I. P. have agreed to afford all necessary siding facilities for factories on the usual terms.

3. The total land acquired and paid for in this scheme is about 1217 acres or 58,90,280 square yards. Besides this, an area of about 179 acres or 8,66,360 square yards of Government gurcharan land belonging to the Revenue Department, has also been included in the scheme. After allowing for roads, railway siding, open spaces, etc., the net building area is 45,97,000 square yards, of which 8,20,000 has been developed, while the balance, *viz.*, 37,77,000 square yards, is undeveloped. An area of 2,49,000 square yards has been sold out of the developed area up to the end of March 1927, leaving for disposal 5,71,000 square yards. The total area (both developed and undeveloped) which is to be disposed of amounts to 43,48,000 square yards or say 950 acres approximately.

4. The total expenditure on the scheme up to the end of March 1927 amounts to Rs. 17·50 lakhs, while the receipts up to the same date amount to Rs. 3·05 lakhs. The net expenditure on the scheme, therefore, amounts to Rs. 14·45 lakhs. Out of the land remaining with Government, an area of about 1,209 acres has been leased at present by the Collector, Bombay Suburban District, at annual rental of Rs. 13,319. In this scheme paddy land is leased at three times the assessment and the right of grazing in grass land is put to auction. A market has been built in this scheme by the Development Department and it yields a good revenue. Plots for shops are also leased by the Collector, Bombay Suburban District, on temporary leases. The present market value of paddy land in this scheme is about Rs. 250 per acre, while the average rate of compensation paid in this scheme is Rs. 575 per acre. According to the present market value a return of 4·4 per cent. is being realised by Government. The Collector, therefore, recommends that there is no advantage in selling the land until the demand for land improves.

Summary of Financial Position and Prospects.

Assets on 1st April 1928.....43,48,000 square yards or 950 acres.

Of this 5,71,000 square yards are developed and the remaining 37,77,000 square yards are undevelcped.

Cost of land per square yard	...	... annas 1·7
Other cost per square yard	...	... annas 4·7
Total book cost per square yard	...	... annas 6·4

Whether will appreciate: Yes.

Whether can be sold now: Only for pastoral and agricultural purposes.

Price obtainable per square yard: annas 1·5 (*i.e.* original cost exclusive of 15 per cent. for compulsory acquisition).

Total assets.....43·48 lakhs square yards.

	Rs.
Total realisations from land sales	4,07,625
Total realisations from land sales (written back ten years)	2,28,000
Revenue receipts per annum	13,320
Debt on 1st April 1927	14·45 lakhs.
Debt on 1st April 1928 (inclusive of expenditure of Rs. 6,000 on works)	15·38 lakhs.

Estimated capital loss on 1st April 1928. Rs. 15·38 lakhs *minus* 2·28 lakhs = Rs. 13·10 lakhs.

APPENDIX No. 16.

Suburban Scheme No. 16—Shahar.

As originally framed this scheme comprised an area of 4128* acres, the greater part of which, *viz.*, 3824 acres has since been denotified. It is proposed to limit the activities of the Department to what is known as (*i*) Andheri Sector, immediately to the east of the Andheri-Marol Road, and (*ii*) Kolekalyan Sector. The major portion of the land included in both the sectors has already been acquired and paid for and an area of about 7 acres outside the sectors has also been acquired and paid for. The approximate gross area thus acquired is about 71½ acres. The layout of the Andheri Sector is at present under the consideration of Government. The layout of Kolekalyan Sector was approved by Government some time back, but it is being revised again as the G. I. P. Railway who have taken over the Central-Salsette Railway, propose to shift the site reserved for a station in this sector. The total expenditure on the scheme upto 31st March 1927 amounts to Rs. 6,26,357, including interest and establishment charges up to date, while the receipts amount to Rs. 295 only.

Against this, the assets are 71½ acres or about 3,46,000 square yards of undeveloped land, which gives a rate of Rs. 1-13-0 per square yard, which is much in excess of the present day value of the undeveloped land.

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* This figure is inclusive of land notified for Central Salsette Railway.

Summary of Financial Position and Prospects.

Assets	346,000 square yards or 71½ acres all undeveloped.			
		Rs.	a.	p.
Cost of land per square yard ...		1	1	0
Other cost per square yard ...		0	12	0
Total book cost per square yard ...		1	13	0
Whether will appreciate: Yes, but slowly.		.....		
Whether can be sold now: Yes, in small lots.		.....		
Price obtainable per acre for early disposal	1,000	0	0	
Rate at which receipts from land sales would be realised ...	7,000	0	0	per annum.
Total realisations from land sales ...	71,500	0	0	
Total realisations from land sales (written back five years) ...	53,000	0	0	
Further capital expenditure to be incurred before the assets are sold.	Nil.			
Revenue receipts per annum ...	230	0	0	
Debt on 1st April 1927 ...	Rs. 6·26 lakhs.			
Debt on 1st April 1928 ...	say Rs. 6·64 lakhs.			

Estimated capital loss on 1st April 1928: Rs. 6·64 lakhs —·53 lakhs = 6·11 lakhs.

APPENDIX No. 17.

Suburban Scheme No. 17—Central Salsette Tramway.

This was built as a 4′ 8½″ construction railway, similar to the Port Trust Anik Railway and the Improvement Trust Dharavi-Ghatkopar Railway, for the carriage of road-making materials from the quarries in Trombay. Subsequently, it was intended to work it as a tramway for the carriage of passengers between Andheri and Anik, interchanging with the G. I. P. Railway at Kurla, where it crosses the main line overhead. A tramway or light railway following this route was considered to be a necessary preliminary to development in Central Salsette and Western Trombay. The total length of the line is 9½ miles as follows:—

	Miles.
(1) Andheri to Kurla	5·89
(2) Kurla to Chembur	2·00
(3) Chembur to Anik	1·41
	9·30

2. The total expenditure on the scheme up to 31st March 1927 amounts to Rs 82,20,572 including interest and establishment charges, while the receipts up to the same date amount to Rs. 25,668. A sum of Rs. 13,04,000 out of this expenditure has been written off from the cotton cess. After making the necessary adjustments in respect of certain land transferred to Suburban Scheme no. 16—Shahar and taking into account the receipts and the amount written off from the cotton cess, the net expenditure on the scheme amounts to Rs. 68,63,000 in round figures. It was first intended to recoup the cost of this line, or a greater part of it, by a charge of annas 8 per square yard on lands sold in the schemes of this Department in Central Salsette and Western Trombay. In the meantime the scheme was to be treated as a definitely losing one, and the interest debitable to it was to be charged to the Rs. 4 lakhs out of the cotton cess allocated to meet losses on Suburban Schemes. The land acquired in connection with this railway, is not only the land required for the railway itself, but additional areas along the line were acquired with the view to their development as well as to avoid claims for severance. Subsequently, Government denotified almost the whole of the land in Central Salsette and Western Trombay and as a result the cost of the whole area of land acquired has been debited to the railway. The total land acquired under this scheme is about 146 acres out of which an area measuring about 31 acres has been leased by the Collector, Bombay Suburban District, for the present, at an annual rental of Rs. 1,305. The scheme will receive the requisite credit when this area is disposed of. With regard to the disposal of the area which has been leased at present, the Collector, Bombay Suburban District, recommends that it should be sold off as far as possible, except where it lies in solid blocks as in Andheri and Kolekalyan sectors of Shahar, where roads can be made and building plots demarcated, as he anticipates that there will be a demand for land near the railway stations.

As regards the railway itself, Government negotiated with the G. I. P. Railway for its transfer to that administration for working a tramway service for public transport. The G. I. P. Railway agreed to take over the railway for the purposes of operation, maintenance and development for a period of two years subject to the conditions that the railway would bear the cost of ordinary maintenance and retain the earnings of the tramway, Government to bear interest charge on the capital cost and meet expenditure on new capital works, renewals and depreciation. The conditions proposed by the railway were accepted by Government subject to the proviso that Government should be consulted and their sanction obtained each time before any new capital expenditure on works was incurred. The Railway Board have recently accorded their sanction to these proposals and the line was opened by the G. I. P. Railway for passenger traffic on the 9th January 1928.

The interest and sinking fund charges on the capital expenditure up to date must now be met either from the subsidy provided from

provincial revenues for Suburban Schemes or by opening a revenue account for this particular scheme.

Summary of Financial Position and Prospects.

Total expenditure up to 31st March 1928.

	Rs.
Capital	63,59,913
Revenue	21,65,151
Total ...	85,25,064
Total receipts up to 31st March 1928 (including the value of 32 acres sold in Shahar village)	74,271
Net expenditure ...	84,50,793

From this expenditure a sum of Rs. 13,04,000 has been written off from the cotton cess to end of 1926-27. It has not yet been worked out by the Audit Office what amount would be available from the cess receipts in 1927-28 to write off the loss on this scheme, in accordance with the method of distributing the proceeds from the cess, sanctioned in Government Resolution No. S. C. 1522, dated the 17th September 1922, but assuming that it will be about Rs. 2½ lakhs (in 1926-27 it was Rs. 2,51,454), the total amount of loss that would be written off from the cess receipts to end of 1927-28, would be Rs. 15·54 lakhs. Deducting this amount from the total net expenditure of Rs. 84·51 lakhs to end of 1927-28, the net debt on the scheme would be Rs. 68·97 lakhs.

The assets against this debt are—

(1) the tramway; including rolling stock,

(2) lands admeasuring about 18½ acres in Kurla acquired along the line of the tramway with a view to their development.

The tramway has been taken over by the G. I. P. Railway for the purposes of operation, maintenance and development for a period of two years from January 1928, subject to the conditions that the Railway would bear the cost of ordinary maintenance and retain the earnings of the Tramway. Government have agreed to bear interest charges on the capital cost and meet expenditure on new capital works, renewals and depreciation.

As regards the land admeasuring about 18½ acres (90,744 square yards) in Kurla available for subsequent development, it was acquired at a cost of about Rs. 5·94 lakhs. This gives an average

cost of Rs. 6/9 per square yard. A portion measuring less than two acres, has been leased by the Collector, Bombay Suburban District, at an annual rental of Rs. 1,305.

Till proposals are made for the final disposal of the railway and a scheme prepared for the disposal of the surplus lands the annual loss on this scheme should be met from provincial revenues.

APPENDIX No. 18.

Suburban Scheme No. 18—Kirol North.

This area which is immediately to the south of Ghatkopar was originally notified for acquisition as a site for the Government Central Press, but, having been found unsuitable for that purpose, was transferred to the Development Department for disposal. The gross area of the scheme which is divided into two sectors of almost equal area, *viz.*, eastern and western, by the municipal Tansa main, is 247,458 square yards, bounded by the G. I. P. Railway on the west, and the Chembur-Ghatkopar Road on the east. The whole area in the scheme has been acquired and paid for but development has been confined to the eastern sector where roads have been constructed only partially. No development has been undertaken in the western sector which admeasures about 122,517 square yards. As the prospects of developing the western sector were poor, the lands in it were subsequently offered to the original owners on repayment of acquisition cost *plus* interest. Only one owner agreed to take back about 5,667 square yards. An area of 1,000 square yards containing a tomb has also been sold to the Muhammadans of Kurla and Ghatkopar. The remaining area about 116,450 square yards approximately has, for the present, been leased temporarily by Collector, Bombay Suburban District.

2. The building area in the eastern sector amounts to 80,275 square yards approximately. Out of this, only two plots measuring 1,620 square yards have been so far sold for Rs. 8,380. A further area measuring 21,258 square yards valued at Rs. 1,04,273 was disposed of under settlement but as the party concerned is unable to pay the amount, the settlement is being revised. Excluding this area, the area still available for disposal comes to 78,655 square yards.

3. The total expenditure up to 31st March 1927 amounts to Rs. 5·73 lakhs while the receipts amount to only Rs. 13,000. The net expenditure on the scheme therefore amounts to Rs. 5·60 lakhs. Against this there are following assets :—

Square yards.	
78,655	to be sold in eastern sector.
116,450	undeveloped land in western sector.
195,105	

4. The whole of this land admeasuring 195,105 square yards has been or is being leased for a period of three years for an annual rental of Rs. 1,500 roughly, subject to the lease being terminated at a month's notice if the land is required by Government. The rental of Rs. 1,500 is only a little more than a ¼th per cent. return on the total expenditure of Rs. 5·60 lakhs incurred to end of last year. Efforts have been made to dispose of the undeveloped lands in the western sector and these will be continued.

The rates for developed lands in the eastern sector have been reduced by Government, but until the temporary Mahar Colony located in the area is removed sales are not likely to be made. In the interests of the scheme the Mahars should be hutted in another area as soon as practicable.

Summary of Financial Position and Prospects.

		Square yards
Assets on 1st April 1928	... ...	241,000*

(This is divided into two sectors of almost equal area, the eastern and western sector. The developed area in the eastern sector admeasures 46,000 square yards, and the balance of the area in the scheme, *viz.*, 195,000 square yards are undeveloped.)

		Rs.	a.	p.
Cost of land per square yard	...	1	4	0
Other cost per square yard	...	1	2	0
Total book cost per square yard	...	2	6	0

Whether will appreciate : Yes, in next six years.

Whether can be sold now : Yes, in small lots only.

Price obtainable for early disposal :—

In western sector (24 acres roughly) .	600	0	0	per acre.
For developed area of 46,000 square yards in eastern sector ...	2	0	0	per sq. yard.
For undeveloped area of 60,000† square yards in the same sector ...	1	0	0	,,
Rate at which receipts from land sales would be realised	10,000	0	0	per annum.

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* This is the total area in the scheme, not building area only.

		Square yards.
†Total area	... ...	79,000
Deduct—For roads, etc.	... ...	−19,000
		60,000

	Per annum.
	Rs.
Total realisations from land sales	1,66,400
Total realisations from land sales (written back 8 years)	1,04,000
Further capital expenditure to be incurred before all assets are sold	*Nil.*
Revenue receipts per annum	1,500
Debt on 31st March 1927 :	Rs. 5·60 lakhs.
Debt on 31st March 1928 : ...	...say Rs. 5·94 lakhs.

	Lakhs.
	Rs.
Estimated capital loss as on 31st March 1928 ;	5·94
	-1·04
	=4·90

APPENDIX No. 19.

Suburban Scheme No. 19—Salsette Water-Supply.

Under an arrangement between Government and the Bombay Municipality, the latter have made available a supply of water up to a maximum of 2·7 million gallons a day from the Tulsi and Vehar mains in Salsette for distribution in the suburban area by the Development Department. The rate charged by the Municipality for the bulk supply was originally 4 annas per 1,000 gallons, but was subsequently raised to 5 annas. The agreement with the Municipality provides that the charges to consumers shall not be more than are required to cover the expenditure. The Development Department at present charge Re. 1 per 1,000 gallons to consumers, besides premia and connection fees. There are the following nine sub-schemes under this scheme :—

1. Andheri including Marol.
2. Vile Marle.
3. Santa Cruz and Juhu.
4. Khar.
5. Bandra.
6. Kurla.
7. Trombay.
8. Ghatkopar.
9. Mulund.

The total gross expenditure on the scheme up to 31st March 1928 amounts to Rs. 23·91 lakhs.* Deducting there from the receipts including premia receipts amounting to Rs. 8·35 lakhs up to the same date, the net expenditure amounts to Rs. 15·56 lakhs. The initial expenditure has been relatively heavy owing to the distance between the municipal mains and the suburban distribution systems. It is expected that the number of connections and the consumption of water will rapidly increase and that in a few years the finances of the scheme will improve. The average distribution of water per day in Salsette and Trombay at present amounts to 1·3 million gallons against the maximum quantity of 2·7 million gallons agreed to be supplied by the Bombay Municipality.

Against the net capital cost of Rs. 15·56 lakhs, which includes a loss of about Rs. 4½ lakhs on the Powai water supply scheme, the annual receipts amount to Rs. 3·10 lakhs and the annual expenditure on maintenance is Rs. 2 lakhs. This leaves a balance of Rs. 1·10 lakhs to pay the interest and sinking fund charges on the capital expenditure on the scheme, and establishment, tools and plant and general charges. The interest charges on the total capital expenditure of Rs. 15·56 lakhs, at $6\frac{1}{5}$ per cent. the current year's approximate average rate of interest, alone amount to Rs. 96,000. In addition, establishment, and tools and plant charges are to be taken into account. The establishment charges have so far been very heavy, but it is hoped that they will now be reduced. Taking all these facts into consideration, these water-supply schemes may be expected to be self-supporting after a short time. As the finances of these schemes may be expected to improve appreciably in the future, it is not essential meantime to write off the annual loss at present being incurred on them. The losses can be added to the capital cost of the scheme, till such time as they are covered by improved receipts.

APPENDIX No. 20.

Suburban Scheme No. 20—Khopoli.

The rights of the Khopoli Land Company were taken over and paid for by this Department. It was proposed to frame a scheme for utilising the tail water of the Tata Hydro Electric Scheme at Khopoli for industrial purposes. The scheme which did not however mature has been wound up by writing off the whole of the expenditure amounting to Rs. 2,87,556 against the cotton cess account.

APPENDIX No. 21.

Suburban Scheme No. 21—Ambernath Water-Supply.

Suburban Scheme No. 21 deals with the preject for supply of water to the are comprised in Suburban Scheme No. 15—Ambernath Development. The financial success of this scheme of water supply

* Capital ... Rs. 12·98 lakhs.
Revenue ... ,, 10·93 lakhs.

depends on the success of the industrial development scheme, *i.e.*, on the extent to which factories, etc., are erected in this area. The supply is taken from the Ulhas river near Badlapur where a continuous flow is available in the dry whether from the tail water of the Andhra Valley Power Supply Company, which is discharged into a tributary of the Ulhas river some 20 miles above Badlapur. To maintain the water at a constant level in the dry weather, a barrage has been erected across the river with an escape weir and authomatic gates to control floods. A filtration plant and pump-house have been provided near the barrage and the filtered water is pumped to a reservoir on high ground commanding the factory area. The plant is designed for a supply of three million gallons per day in the first instance, but is capable of extension, at small additional cost, to six million gallons per day.

The capital cost incurred on the scheme up to 31st March 1928 amounts to Rs. 51·36 lakhs.* Deducting therefrom the receipts of Rs. 88,000 up to the same period, the net expenditure on the scheme amounts to Rs. 50·48 lakhs. The average daily consumption of water from the Ambernath water-supply scheme is about 1,50,000 gallons at present while the average monthly receipts for water consumed amount to about Rs. 3,000. Proposals for the supply of water to the Kalyan Municipality, who guarantee the minimum consumption of three lakhs gallons per day, are under the consideration of Government. There is also another proposal under consideration of Government for the supply of water to the village of Badlapur, but the daily consumption in that area is not likely to exceed a few thousand gallons. The Ambernath water-supply scheme is not self-supporting at present, because the Ambernath industrial scheme has not succeeded in attracting industrial concerns to the extent anticipated when these schemes were undertaken. The financial position of the water supply scheme is such that it will not show a profit until the daily consumption of water reaches 12 lakhs gallons per day, after which there will be an annually increasing profit. If the arrangements for the supply of water to the Kalyan Municipality and Badlapur village come into force, the daily consumption will increase to a little over 4½ lakhs gallons, which will still be short of the self-supporting stage of daily consumption of 12 lakhs gallons. Till that stage is reached, the balance of the amount required to pay annual interest charges and to provide a sinking fund on the capital cost of the sheme, after meeting part of these charges from the annual receipts, must be found from the subsidy made to the Department from provincial revenues to meet losses on suburban schemes. However, from the current year, it is proposed to open a revenue account for this scheme. If that is done, the balances of the scheme will merge in provincial balances and the annual loss resulting therefrom will be met directly from the provincial revenues.

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*Capital ... Rs. 42·16 lakhs.
Revenue ... „ 9·20 lakhs.

The financial position of the scheme during the current year is as follows:—

	Lakhs. Rs.
(*a*) Interest and sinking fund charges (at 6½ per cent.) on Rs. 50·48 lakhs being capital debt on the 31st March 1928	3·28
(*b*) Repairs and maintenance during 1928-29	·23
Total recurring expenditure	3·51
(*c*) *Deduct* receipts during 1928-29	·41
(*d*) Estimated loss on working during 1928-29 ...	3·10
(*e*) Add overhead engineering and Secretariat establishment charges approximately ...	·05
(*f*) Total loss on annual working	3·15

The annual loss on the scheme is, therefore, at present Rs. 3·15 lakhs. This amount, capitalised at 6½ per cent. corresponds to a capital amount of Rs. 48·46 lakhs which is therefore the amount that requires to be written off to-day to make the scheme solvent.

APPENDIX No. 22.

Suburban Scheme No. 22—Kurla-Trombay Railway.

For many years proposals were made that the G. I. P. Railway should take over the Municipal Kutchra Siding from Kurla to Chembur and extend it to Trombay. After the formation of the Development Department, it was arranged that Government should take over the first 1·86 miles of the siding and should hand it over to the G. I. P. Railway to work on terms which would provide for its extension as far as Mandala, where the tanneries were proposed to be located. The railway was accordingly handed over to the G. I. P. administration in February 1924 for working on behalf of the Development Department. At first a train service was started between Kurla and Chembur to serve the area in Suburban Scheme No. 3-Chembur Garden Suburb which was being developed. Negotiations were then conducted for the transfer of the Kurla-Trombay Railway line to the G. I. P. administration for working and maintenance and for further extension thereof up to Mandala on the terms which are summarised below:—

(1) That the Development Department should pay a lump sum of Rs. 4,04,065 to the G. I. P. Railway being the present value on 1st April 1926 of 10 annual payments of Rs. 51,792 representing interest at 6 per cent. on the total outlay on the project.

(2) That the G. I. P. Railway should recoup the Development Department the expenditure incurred by it up to 31st December 1924, as detailed below:—

Rs.	
4,87,097	cost of works and interest, etc., charges.
55,085	cost of acquisition of land for the railway.
5,42,182	Total.

(3) That the G. I. P. Railway should take over all the liabilities of the Kurla-Trombay Railway and complete the extension up to Mandala.

(4) That the transfer should take effect as on the 1st April 1926.

In addition to this, Rs. 1,39,525 were paid to the G. I. P. for working the Kurla-Trombay Railway from February 1924 to 31st March 1926, *i.e.*, up to the date of its transfer.

The extension up to Mandala has since been completed and the railway is now running up to that station.

The balance of expenditure on the railway with interest, establishment, etc., charges on 31st March 1928, standing against this Department, after the transactions, referred to above, were carried out, amounts to Rs. 6·62 lakhs* from which a sum of Rs. 1·36 lakhs has been written off from the cotton cess, leaving a balance of Rs. 5·26 lakhs. This being a dead loss on the Department, it must be written off from the annual subsidy made to the Department from provincial revenues in one or more annual instalments.

APPENDIX No. 23.

Suburban Scheme No. 23—Ambernath Electric Supply.

The supply of electric power at Ambernath is essential to the success of the Ambernath Development Scheme. The transmission lines of the Andhra Valey Power Supply Company pass through the area included in the Ambernath Development Scheme, and it was at first contemplated that electric power should be obtained from this source. Owing, however, to the fact that the output of the Andhra Valley Power Supply Company had been sold ahead, the Company had no surplus power; moreover, the initial minimum supply required in the Ambernath area was too small to justify the cost of transforming the high tension current. It was decided, therefore, to erect a small independent power station to deal with immediate requirements.

* Capital ... Rs. 5·25 lakhs.
Revenue ... „ 1·37 lakhs.

2. Government approved of a scheme for the generation and distribution of power in this area at an estimated cost of Rs. 7·78 lakhs. The scheme has been completed at a total cost of Rs. 10·51 lakhs to end of March 1927, inclusive of interest and establishment charges. Electric energy is at present being supplied to the factories, etc., at Ambernath and to the pumps of the water supply scheme (S.S. 21) at Badlapur. For the energy supplied to the water supply scheme the electric supply scheme gets an annual credit of Rs. 8,000.

The present financial position is that the total debt is Rs. 10·51 lakhs. The cost of buildings has been Rs. 1·75 lakhs and of plant Rs. 5·28 lakhs and the balance of Rs. 3·48 lakhs is made up of establishment and other charges and accumulated annual losses.

The annual expenditure incurred on running the plant is Rs. 33,000 and the receipts are at present Rs. 45,000. The plant, however, has a life of only twelve to fifteen years, of which three have already expired. To provide for its complete renewal, say eleven years hence, we must add the depreciation charges on Rs. 5·28 lakhs. These amount to Rs. 35,266 so that even after leaving out of account interest charges on the whole debt and sinking fund charges on Rs. (10·51 — 5·28) = 5·23 lakhs the scheme is being run at loss. If it were wound up, however, the book value of the buildings and plant could not be recovered. The buildings are nearly unsaleable *in situ* and the plant at the present time could not be easily disposed of. It is not likely that the scrapping of the scheme would yield even a lakh of rupees and it might not yield Rs. 50,000.

Assuming that the scheme continues to be worked its financial position may be shown thus.

	Rs.
(1) Interest charges at 6 per cent. on total debt of Rs. 10·51 lakhs	63,060
(2) Depreciation charges on plant on 6 per cent. 11 years' basis (factor ·066793) ...	35,266
(3) Sinking Fund charges on balance of debt (Rs. 5·23 lakhs) on 6 per cent. 60 years' basis (factor ·001876)	981
(4) Annual working expenses	33,000
Total ...	1,32,307
Annual revenue	45,000
Annual loss	87,307

The prospects of this scheme are poor and there is likely to be an early fall in revenue owing to the principal consumers installing their own plant. The question of continuing this scheme on its present lines requires further consideration.

APPENDIX No. 24.

SUBURBAN SCHEME No. 24—WILLINGDON (SOUTH).

This scheme differs from the other schemes of the Development Department as it does not involve any expenditure from Government funds. The Bombay Catholic Co-partnership Housing Society desired to extend their colony to the south of Santa Cruz and applied to Government for land. Land in charge of the Revenue Department was available, and it was arranged that 68,476 square yards should be transferred to the Development Department at a cost of Rs. 80,000 on the condition that the Development Department undertook (1) to extend an interior road (Hasanabad Lane), (2) to sell for Rs. 1 lakh an area of 46,059⅓ square yards therefrom to the Society, and (3) to give the rest of the area for roads. The Society agreed to surrender, free of charge, an area of 4,061⅓ square yards out of the land which belonged to it for the extension of the Hasanabad Lane and for the widening of the Bandra-Ghodbunder Road. The amount of Rs. 1 lakh which the Society has to pay in instalments from time to time as land is taken up by it in parts will, in the first instance, be credited to development funds and thereafter sums aggregating Rs. 80,000 as and when paid by the Society will, from time to time, be credited to the head "V-Land Revenue" after deducting from the first instalment paid by the Society, the cost of the extension of the Hasanabad Lane estimated* at Rs. 8,944, including establishment charges. As the Society paid the first instalment of Rs. 10,000, the work of extending the Hasanabad Lane has been completed.

2. In addition to the land, referred to above, an additional area of 11,303⅔ square yerds has recently been allotted to the Bombay Catholic Co-operative Society at the rate of Rs. 2-4-0 per square yard. The price is similarly to be recovered from the Society in instalments from time to time as land is taken up by it in parts. An area of 2,000 square yards has also been allotted to the Willingdon Catholic Gymkhana on payment of its price amounting to Rs. 2,500 for recreation purposes, subject to the conditions that the land will be liable to be resumed if used for any other purpose except that of a recreation club and that Government give no undertaking for metalling the access road (sewer road) which will have to be done by the owners fronting on it, at their expense, when they like.

3. A statement showing the financial position of the scheme is appended.

* The actual expenditure on this work so far amounts to Rs. 7,848 inclusive of departmental charges at the rate of 24 per cent. Final bill has not, however, been paid. Hence, to be on the safe side, the estimated cost of the work has been stated in the note.

Financial position of Suburban Scheme No. 24-Willingdon (South).

Estimated receipts.	Rs.	a.	p.	Expenditure.	Rs.	a.	p.
Price of 46,059¼ square yards of land in lump sum ...	1,00,000	0	0	Cost (estimated) of extension of the Hasanabad Lane (including departmental charges at the rate of 24 per cent.) ...	8,944	0	0
Price of 11,303¾ square yards of land at Rs. 2-4-0 per square yard ...	25,433	4	0	Payment to the Revenue Department *without interest* in instalments, as and when received from the Society ...	80,000	0	0
Price of 2,000 square yards allotted to the Willingdon Catholic Gymkhana for recreation purposes, at Re. 1-4-0 per square yard.	2,500	0	0	Total expenditure ...	88,944	0	0
Amount awarded as compensation to the Society under Santa Cruz Town Planning Scheme No. IV on account of 2,400 square yards of the Society's land absorbed in the widening of the Bandra Ghodbunder Road and which it has to refund to Government as that body has agreed to surrender it to Government free of charge. (The Collector, Bombay Suburban District, has already asked the Notified Area Committee to credit this amount to Government).	600	0	0	*Estimated profit* ...	39,589	4	0
	1,28,533	4	0		1,28,533	4	0

APPENDIX No. 25.

Distribution of Establishment Charges in the Development Department.

So long as the Development Department continues to exist its establishment charges must be met. Even if it is abolished it will probably be necessary for accounts purposes and for so long as capital and revenue accounts are maintained for the various schemes, to debit them with a part of the establishment charges of the departments to which their management is transferred. The establishments employed in the Development Department are as follows :—

(1) Secretariat.

(2) Land Manager and establishment.

(3) Assistant Development Officer, Special Officer and establishment.

(4) Special establishment under the Collector, Bombay Suburban District, for suburban schemes.

(5) Establishments for Industrial Housing Schemes.

(6) Engineering establishment, Back Bay Reclamation Scheme.

(7) Engineering establishment for Housing and Suburban Schemes.

(8) Accounts establishments under the Audit and Accounts Officer.

The establishment charges under (5) are wholly debitable to the Industrial Housing Scheme and those under (6) to the Back Bay Reclamation Scheme and require no consideration in this report.

The establishments under (7) comprise the Superintending Engineer, Northern Circle, the Executive Engineer, Housing and Suburban Division and the staffs under those officers. These establishments do "agency" work for local authorities, *e.g.*, in town planning schemes, and for this work the usual fixed charges are made. A part of their cost is also debited against the Industrial Housing Scheme. The remainder of those engineering establishment charges is distributed over the suburban schemes in accordance with the works expenditure and receipts of each. There must always be practical difficulties in securing a fair *pro rata* distribution in this way. For example, the classification of the payments to the Bombay Municipality for water supply to Suburban Scheme No. 19 (Salsette Water-Supply) as "works" expenditure involves the addition of an establishment charge incommensurate with the small amount of work involved in making these payments. We suggest that the share of engineering establishment charges debitable to suburban schemes should be distributed by combining the expenditure on the Superintending Engineer and the Executive Engineer and their staffs, making first a fixed percentage charge on receipts collected by the engineering establishment [*e.g.*, receipts from Sales of water (Suburban Scheme No. 19 and Suburban Scheme No. 21) sales of electricity (Suburban Scheme No. 23) and sales of plant], and then distributing the remaining engineering establishment charges *pro rata* over the cost of works (both original and repairs) carried out in the various schemes. We suggest further that the establishment charge levied on receipts should be 5 per cent. and that the payments to the Bombay Municipality for water supplied to Suburban Scheme No. 19 should not be reckoned as "works" expenditure and should thus be exempt from any establishment charge. In present circumstances these arrangements will ensure a fair and full distribution of the engineering establishment charges.

There remains the problem of distributing establishment charges under the first four and the eighth heads, *viz.*—

(1) Secretariat.

(2) Land Manager and establishment.

(3) Assistant Development Officer, and Special Officer and establishment.

(4) Special establishment under the Collector, Bombay Suburban District, for suburban schemes.

(8) Accounts establishment under the Audit and Accounts Officer.

Excepting (8) Accounts establishment, all the establishments are under the control of the same officer, as Secretary, Development Department, for (1), as Land Manager for (2), and as Commissioner, Bombay Suburban Division, for (3) and (4). They may therefore all be considered together.

Hitherto these charges have been distributed *pro rata* over all the schemes of the Development Department, including the Back Bay Reclamation Scheme and the Industrial Housing Scheme, on the basis of the receipts and expenditure in each. This means that no account is taken of work which involves no expenditure and brings in no receipts. The actual distribution on receipts and expenditure is also necessarily unequal as different classes of receipts and expenditure do not involve strictly *pro rata* expenditure on establishments. The gravest defect is that on account of the shrinkage in the expenditure of the department and its comparatively small receipts, the Secretariat and allied establishment charges, reckoned as percentages, are now excessive. It is impracticable to retrench establishments to such an extent as to reduce the establishment charges, reckoned as percentages on receipts and expenditure, to recognised standards. On the other hand it appears undesirable to pile up excessively high establishment charges against schemes which are already bankrupt so that the establishment charges are added now merely to be written off later. It is also undesirable to add excessive establishment charges to schemes which would otherwise be solvent. In the case of a public utility scheme like Suburban Scheme No. 19 (Salsette Water Supply) the public have a direct interest in seeing that the water charges are not maintained at high rates in order to meet establishment charges which are scarcely defensible.

Our proposal is that for suburban schemes fixed percentages should be levied as Secretariat and allied establishment charges on the expenditure and revenue of the various schemes and that the balance of establishment charges not covered by these percentage debits should be written off annually and not allowed to accumulate. The scale of establishment charges which we suggest for suburban schemes is as follows :—

Works.—(Original and repairs)—2 per cent. for all schemes.

This is the standard charge for Secretariat work in the Public Works Department.

Land Acquisition.—(Suburbs)—10 per cent.

This is the sanctioned Development Department agency charge in the Bombay Suburban District.

Sales of land.—(Suburbs)—10 per cent.

Temporary receipts, e.g., from temporary leases—10 per cent.

This is in close accord with actuals.

As regards (8)—Accounts Establishments, the annual charge on that account is small, and we consider that it should be distributed in the same proportion in which the Secretariat and allied establishments charges are distributed, on the basis proposed above. On this basis, the share of these charges debitable to suburban schemes is Rs. 11,850.

Receipts collected through engineering establishment (*e.g.*, sales of water, electricity, plant, etc., on which 5 per cent. is charged separately)—1 per cent.

Part of the Secretariat and allied establishment charges are of course debited to the Back Bay Reclamation Scheme and the Industrial Housing Scheme. A similar scale could be applied to these schemes. For sales of land in the Back Bay Reclamation Scheme a 2½ per cent. charge would be suitable; for leases this might be raised to 5 per cent. on capitalised value if the subsequent management and control of the leasehold were sufficient to justify this amount. For the Industrial Housing Scheme, 1 per cent. should be levied as a Secretariat establishment charge on receipts in addition to the usual 2 per cent. for "works."

In the note presented to the Legislative Council in February-March 1927 establishment charges were not examined nor have we taken full account of them in the financial forecasts included in the appendices. If the share of the Secretariat and allied establishment charges which are debitable to the Back Bay Reclamation Scheme and the Industrial Housing Scheme on the lines suggested above are excluded together with those debitable to Suburban Scheme No. 19 (Salsette Water Supply) Suburban Scheme No. 21 (Ambernath Water-Supply) and Suburban Scheme No. 23 (Ambernath Electric Supply) of which account has been taken it is estimated that in the current year a balance of Rs. 1,39,717 will remain. Part (*a*) of this is debitable to suburban schemes on the lines suggested above and part (*b*) should be written off. No account of either of these parts has been taken in our forecasts and both parts must be added to the estimate of losses. It may be noted however that the amount provided as part (*b*) is not entirely on account of suburban schemes but represents an excess of establishment charges hitherto debited *pro rata* to the Back Bay Reclamation Scheme and the Industrial Housing Scheme as well as suburban schemes. The suburban share is approximately Rs. 37,584.

If, on grounds of strict accounting, these excess establishment charges must first be debited to the respective schemes before being written off then we consider that they should be written off annually for all schemes. Thus in the case of Suburban Scheme No. 19 (Salsette Water-Supply) no attempt should be made to pass them on to consumers. In this event we have to provide in this report only for part (*a*) mentioned above, *viz.*, Rs. 44,580 *plus* the establishments charges debitable to Suburban Schemes 19, 21 and 23, *viz.*, Rs. 6,305, and the suburban share of part (*b*), *viz.*, Rs. 37,584 or a total of Rs. 88,469.

In addition we have to provide Rs. 11,850 for part of accounts establishment charges. The grand total is therefore Rs. 1,00,319 or Rs. 1 lakh in round figures.

APPENDIX No. 26.

General Charges.

The "general charges" of the Development Department are in respect of office and residential buildings. At present they amount to a charge of 3 per cent. on expenditure. This is an excessive charge. We think that these charges might be better allocated in the first instance to the establishments mentioned in appendix No. 25. For example, the annual net loss on the Development Department office buildings (*i.e.*, after allowing for rents received from tenants), should be debited to

(1) to (4) Secretariat and allied establishments.

(6) Engineering establishment, Back Bay Reclamation Scheme.

(7) Engineering establishment, Housing and Suburban Division.

(8) Accounts.

The allocation would be in proportion to the floor space occupied by each establishment.

The general charges on residential buildings at Rocky Hill and Cumballa Hill might be added to Secretariat establishment charges; those on subordinates' quarters at Chembur divided between Housing and Suburban engineering establishment and Secretariat establishment; and so on.

As the Secretariat and allied establishment charges are already excessive the share of general charges to be added to them will have to be written off.

General charges in 1926-27 amounted to Rs. 1,41,912. The only amount distributable after addition to the relevant establishment charges are the rents of the office accommodation of the engineering and accounts establishment amounting to approximately Rs. 27,000 per annum. The balance, Rs. 1,15,000 to be written off, is, like the excess of Secretariat and allied establishment charges referred to in appendix No. 25, incurred on account of the Back Bay Reclamation Scheme and the Industrial Housing Scheme as well as suburban schemes. The suburban share is estimated at Rs. 45,430.

APPENDIX No. 27

Cost incurred in connection with the work of the Sub-Committee appointed to report on the Financial prospects of Suburban Schemes.

No special officer or establishment was engaged to look after the Sub-Committee's work. Mr. S. P. Gheewala, M.A., Senior Superintendent, Development Department, was appointed to act as Secretary to the Sub-Committee. The approximate expenditure incurred by the Sub-Committee is as under :—

	Rs.	a.	p.
Fees paid to members of the Sub-Committee	465	0	0
Cost of printing 400 copies of the Report, including printing work done ...	270	8	0
Honorarium to the Secretary ...	600	0	0
Total ...	1,335	8	0

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